

The "Indiana Plan" in Iowa

THE Iowa legislature has just adopted the so-called "Indiana plan" for state review of local budgets. The essential feature of this scheme that makes it attractive is its granting of an opportunity to protest and obtain revision before a presumably unbiased authority.

The taxpayer in most cities has no appeal from the decision of his local legislative body. The elected officials under sound budgetary procedure are, of course, required to hold a hearing prior to adoption of the budget but they may, of course, adopt whatever budget they please in the face of any number of protests. This is not likely to happen in election year but happens all too frequently in non-election years. The new Iowa law establishes a state board of appeal composed of the state comptroller, auditor, and treasurer. It will authorize deputies to hold hearings on a local budget if one fourth of one per cent of the voters in the taxing district, three of whom appeared at the regular budget hearing, have filed a petition of appeal. Under the law, if the protest is against an item which appears in previous budgets, the appellants must prove its unreasonableness. If the protest is against a new budget item the taxing authority must justify its inclusion. The state appeal board may approve or reduce the budget but may make no increases.

The probable value of the new Iowa law will consist in its being on the books rather than in its use. Like the seldom used recall provision in many city charters, it will serve as "the gun behind the door." Officials will lend more willing ears to taxpayer protests which if unheeded may be taken to a higher authority.

On the other hand, there is no substitute for citizen interest and participation in the processes of local government. Under a proper form of local government, with sufficient activity on the part of citizens to maintain effective government, appeal to a state agency should hardly be required. It is doubtful, for instance in any well run city manager city, whether such a provision of law would not be often abused. It lends itself readily to sniping on the part of a small minority in any government. We must be realistic about these things. If the political faith of the members of the board of appeals is similar to that of the local public officials who adopted the budget, the appellants are likely to be regarded as interlopers. If the local officials belong to the opposition party it may be conceivable that the aggrieved taxpayers may receive a warm welcome.

Behind that lies the fundamental difficulty of any outside agency determining the necessity of a particular item in

the budget. Without extensive investigation of local conditions, the only basis for a decision of the outside agency is the effectiveness with which both sides present their cases. The issue, after all, is involved in the determination of human and community requirements. Opinions may differ radically upon such requirements. To illustrate, suppose there is an item in the budget to provide for the construction of a new school. A majority of the taxpayers in the community may feel that a new school is required. A minority of taxpayers may petition to have the matter reviewed. The state appeal board then must determine what is fundamentally a local

issue. Thus we have vital issues of local self-government determined in the final analysis by an outside agency, a practice which obviously may be regarded as questionable.

In Iowa as in other states, however, the Indiana plan is being brought forward as an alternative to over-all tax limitation and from the standpoint of sound governmental fiscal policy it is certainly to be preferred. Such harm as might be done would not be irremediable; occasional good may come of it. In any event, thus will be provided another laboratory in which the operation of this form of state control over local finance may be studied.

A city to be great does not need to be large or rapidly growing. But it should be a place in which people are happy to live and work. It should have a personality and a civic pride in that personality. It should create out of the raw materials of its resources, physical and human, satisfactions which are abiding and permanent. Only if the social and economic foundations of the community are secure and its governmental organization sound can the city grow to real greatness. The challenge growing out of the last seven years of shock to American cities and to ours must be met. C. A. DYKSTRA, "City Manager's Page," *Municipal Activities of the City of Cincinnati*, 1936.

The States Make Plans for Unemployment Compensation

Forty-three states and District of Columbia have enacted laws under federal social security act.

R. GORDON WAGENET

Bureau of Unemployment Compensation

UNEMPLOYMENT compensation has taken root in this country. With forty-four state laws including that of the District of Columbia already in effect and strong indications that the few remaining states will soon follow suit, friends of the social insurance movement may be inclined to pause for breath and self-congratulation. Not for long, however.

It is true we now "have a law" in this country. But the experience of other nations shows clearly that enactment of social insurance legislation signifies not a completed achievement, but only the first step in a long process of experimentation and self-education. For a quarter of a century Britain has wrestled with the problem of making unemployment insurance a realistic medium for relief of unemployment. The nation has, by methods of trial and error, attempted to come to grip with the facts.

We in this country are at the very beginning of that long road. Wisconsin had enacted an unemployment reserves act which became effective July 1934, but further state action came only with the decisive impetus given by the social security act. It is true that unemployment compensation is a fact in the great majority of our states, but actually we have hardly begun our experience with this type of legislation.

Many basic problems lie before us as yet unsolved—problems which fall within two major categories: (1) What are the soundest features to be included in a state law? (2) How should this law be administered?

The provisions of the federal act leave a very wide discretion to the states in determining the kind of law they will enact and the methods by which they will administer it. The principal feature of the federal law is a uniform tax upon pay rolls against which credits are permissible if the employer has made contributions under a state law. In order for the employer to receive credit, the state law must meet certain conditions. But these are few in number and are intended merely to make certain that the state has enacted a bona fide unemployment compensation law, as distinguished from relief, to protect the solvency and use of the state funds and to prohibit their use to lower labor standards. The requirements of the federal act in no way prescribe the fundamental provisions of state unemployment compensation laws. These are left entirely in the hands of the state.

The state must decide what type of fund it shall establish; it must designate the groups to be protected and those to be excluded. It is free to add or not to add employee contributions to those required from employers. It is

also free to make provision for state contributions to the system if it so desires. Likewise, it determines its own scale of benefits, conditions of eligibility, waiting period, how claim procedures will be handled, and the administrative features necessary for the operation of the system.

No one knows what is the best answer to all these questions; no one knows what is the most effective technique, certainly as far as their application to conditions in this country are concerned. The federal law was deliberately designed to encourage that degree of experimentation by the states which alone can furnish the basis for conclusive answers. Within the flexible framework of the federal law, states may conduct experiments on a small scale which would not be possible under a central form of government. By setting up a variety of state systems with some federal assistance and supervision, we have the opportunity to test our theories before opinion and policies are definitely crystallized.

POOLED FUND OR EMPLOYER RESERVE PLAN

Perhaps the most controversial problem which the states face is the type of fund which should be established—the problem of the state-wide pooled fund versus the employer reserve plan. Where the major emphasis is on the greatest possible protection to the worker, through the insurance principle of spreading the risk, as in the British and most of the state laws, the tendency has been to pool all contributions. But where prevention of unemployment through stabilization of industry is the main objective, as in Wisconsin, the contributions of each employer are used to pay benefits only to his own employees through the use of the employer reserve system.

Each type of law has its advocates.

Proponents of the employer reserve system argue that it provides a strong incentive to the employer to stabilize employment and thus to reduce the amount of benefits it will be necessary to pay out of his own reserve fund. Responsibility for unemployment is thus placed squarely on the shoulders of the individual employer; a responsibility which is eagerly accepted by advocates of the system. They point with pride to the accomplishments already made in Wisconsin, for example, in achieving a large measure of stability and in effecting notable economies in the short space of time since effort has been directed to this end. An imposing list of Wisconsin employers, all of whom endorse the employer reserve system and emphasize its advantages, has been compiled by the Wisconsin Manufacturers' Association.

Those in favor of the pooled fund point out that under the reserve plan the worker's benefits depend entirely upon the adequacy of his particular employer's reserve account. It is maintained that in irregular and seasonal industries, in companies with the greatest amount of unemployment, the worker will get the least amount of protection, since benefits must be scaled down to the resources of the fund. They also argue that it is impossible to hope for stabilization of employment through this means because the factors which govern employment and unemployment are far beyond the control of the individual employer. In favor of the pooled fund they point to the greater degree of protection it offers the employee, since his benefits are not contingent upon the account of any single employer, and they also maintain that the pooled fund plan is based on a true insurance principle—the principle of spreading the risk as widely as possible.

The states have dealt with this problem in different ways. The great ma-

jority of them—thirty-eight of the forty-four—have shown a decided preference for the pooled fund type of law. But of these, twenty-nine states have provided for some form of merit rating whereby, after a few years of experience with the system, employers will be classified according to their rate of unemployment under a system of differentiated contribution rates. By so doing the states feel they have incorporated in one system the principal advantage of the pooled fund—equal protection for all covered workers—and the principal advantage of the reserve plan—an incentive for stabilizing employment.

Still other compromises have been adopted. Indiana, Kentucky, and South Dakota meet the issue by placing five-sixths of the contributions in the employers' reserve, and one-sixth into a pool, as a kind of reinsurance fund. Oregon uses the same method, but places .5 per cent of all contributions in the pool, the remainder in employer reserves. In Vermont the employer may choose to contribute to a pool or set up a reserve as he wishes. Wisconsin remains the only state with a straight employer reserve plan.

Merit rating will be an American innovation in unemployment compensation. Much depends on the principle adopted and the care with which it is applied. Inasmuch as attempts to regularize employment in one enterprise may cause fluctuations in employment in other enterprises in the same industry, it has been suggested that in setting up standards for the purpose of merit rating an employer's record be compared not with the records of all other employers in his industry but simply with his own prior employment record. How merit rating will eventually work out, no one is now in a position to say.

Another major unsolved problem in unemployment compensation is that of financing. It is impossible to cope with the enormous wage loss due to unemployment by any system of compensation, relief or otherwise, without a very large outlay. Under the federal act it is anticipated that the great bulk of this cost will be borne by industry. In European countries the cost is commonly borne jointly by the employer, the employee, and the government. In this country, the District of Columbia law is the only one which provides for a government contribution. The general sentiment here seems to be that employers alone, or jointly with employees, should bear the cost of unemployment compensation benefits, with government funds used to cover the costs of administering the state unemployment compensation laws.

CONTRIBUTIONS BY EMPLOYEES

As to employee contributions, there is less agreement. Eight states—Alabama, California, Kentucky, Louisiana, Massachusetts, New Hampshire, New Jersey, and Rhode Island—require employee contributions. In favor of employee contributions is the argument that they will make possible more generous benefits and that they will give the employee a greater interest in the system and consequently a greater voice in its management. On the other side we hear the argument that employees cannot pass on the cost of their contributions to the consumer as the employer may do; that the employee as consumer will pay the great bulk of employer contributions in the form of increased prices. There is the further argument that employees, even though they remain employed, bear the brunt of slackening business through lower wages and fewer hours of work per week, and that they already pay for some unemployment since their com-

pensation when unemployed amounts to only half their usual wages, and that for a limited time.

How far employee contributions will go toward increasing the amount or duration of benefits, and to what extent industry will pass on the cost of unemployment compensation to consumers in increased prices, is another of our unsolved questions. In fact, the entire problem of adequacy of the state fund in relation to different rates of contributions and benefits under varying conditions of employment and unemployment is one in which our knowledge is merely theoretical.

Other questions bearing on solvency must be considered. How long shall the waiting period be? Shall a high rate of benefits be paid for a short period, or a low rate for a longer period? Shall the system provide compensation only for total unemployment, or for partial and seasonal unemployment as well? And within what limits may we shift these various factors and still be certain that the fund will stand up?

Unemployment compensation benefits are necessarily limited by the amounts that are collected in contributions. But within this limit there can be considerable variation in amount, duration of benefits, and length of waiting period. In every unemployment compensation system a waiting period is required before benefit payments begin in order to allow time for establishing the applicant's right to compensation and to prevent exhaustion of the fund in paying compensation for very short periods of unemployment. A few of the state laws require a waiting period of three or four weeks a year. More commonly a waiting period of two weeks within thirteen weeks is required. A waiting period of this duration is sound at this stage because experience shows that a very high percentage of workers find

other jobs within the first few weeks after they have been laid off.

In all of the state laws benefits are set at a definite proportion of the worker's former wages. This is considered the most equitable policy for all groups in this country, since regional differences in the cost of living are reflected in varying wage rates and the same degree of protection is thus provided for all. This rule, however, is usually modified by the stipulation of minimum and maximum benefits. All but two states provide for a maximum benefit of fifteen dollars per week. Wyoming sets the highest maximum, eighteen dollars, and Michigan provides for sixteen dollars. The minimum benefit which may be paid varies more widely. While the most usual figure is five dollars, or three-quarters of the full time weekly wage, whichever is less, several states provide a higher amount, up to eight dollars a week in Oklahoma, and four states—Alabama, the District of Columbia, Mississippi, and Ohio—set no minimum at all.

AMOUNT OF BENEFITS

With a few exceptions the state laws have provided that benefits shall amount to 50 per cent of the worker's full time weekly wages. The District of Columbia law is unique in that benefits are geared to the number of the worker's dependents and may be as high as 65 per cent of the former weekly wage. Wyoming sets the rate at 60 per cent of the regular wage. Four states—Connecticut, Indiana, Kansas, and Michigan—follow a different procedure and fix benefits at 4 per cent of the total wages earned in the three-month period of highest earnings during the last year or the last two years.

Since unemployment compensation is designed to benefit the regularly employed person, the duration of benefits bears a direct relationship to the em-

ployment and employability of the worker as expressed by his previous employment or earnings. Most of the states provide for a maximum duration of fifteen or sixteen weeks during the year, depending on the worker's past employment. Usually one week of benefits is allowed for each four weeks of employment in the previous two years. In increasing numbers the states are changing their method of calculating duration of benefits so as to base it not on past weeks of employment, but on the total amount of earnings in a given three-month period. The earnings method of calculating benefits offers the workers substantially the same amount of protection as the "time method," and since it does away with the necessity for keeping records of past employment by weeks, it has added simplicity and economy to recommend it.

The large majority of the states pay benefits to workers who are partially unemployed, although the definitions of partial unemployment and the rate according to which it is compensated, vary widely. None of the state laws provide detailed methods for handling seasonal industries, but fourteen states provide that the administrative agency shall establish special procedures for this group, and four states instruct their administrative agencies to study the problem.

While the scope of the state laws in general is closely identified with that laid down by the tax features of the social security act, some important differences are to be noted. Among the more recently enacted state laws there is a tendency to extend the protection offered through unemployment compensation by broadening the coverage to include firms with less than eight employees. Nine states—Michigan, Arkansas, Idaho, Minnesota, Montana, Nevada, Pennsylvania, Wyoming, and the District of Columbia—provide for

full coverage within the insured occupations by including firms with one or more employees. Connecticut covers employers of five or more; Kentucky, New Mexico, New Hampshire, New York, Oregon, Rhode Island, and Utah cover employers of four or more; and Arizona and Ohio include employers of three or more. With a few variations, most of the employments excluded from the taxing provisions of the federal act have also been excluded in the state laws. These excluded employments are, generally speaking, agricultural labor, domestic service in private homes, government service, maritime service, employment by a non-profit charitable or educational institution, and services performed for a husband, wife, or child, or by a minor child in the employ of his parents.

INTERSTATE PROBLEMS

Two major problems arise out of our federal-state system of unemployment compensation. One is the problem of firms which operate in more than one state and are, therefore, responsible to more than one state unemployment compensation administration, as well as the federal government. The corollary to this is the problem of interstate workers, or of those workers who move from state to state with or without having acquired rights to benefits in any or all of them. The solution of these problems—details of procedure, policy, and financing—can be solved only by the coöperative action of all the states concerned, with the federal government acting as a clearing agent and giving technical advice as needed. The interstate conference of unemployment compensation administrators, now established as a permanent organization, furnishes the machinery needed for this purpose. There is every reason to believe that a satisfactory and workable solution of these problems, as well as of

other problems of an interstate nature, will be successfully achieved.

Beyond, and more significant even than these legislative problems, is that of competent administration of unemployment compensation. Unless we have efficient administration of the system, its purpose will fail, no matter how commendable the legislation.

STATE EMPLOYMENT SERVICE

The states are now confronted with the necessity of organizing the employment services for their part in the administration of unemployment compensation. Existing federal and state legislation contemplates close integration of these two activities and places important responsibilities upon the employment offices. In order to be approved by the Social Security Board and to receive federal grants for administrative costs, state unemployment compensation laws must provide, among other things, that benefits shall be paid solely through public employment offices in the state, or such other agencies as the board may approve. Under all state laws the state employment service is the agency through which benefits will be paid. In twenty-two states benefits become payable in January 1938, so that development and expansion of the state employment offices in order to meet the needs of unemployment compensation is an immediate problem.

This is but one of many situations requiring careful integration of unemployment compensation with other labor legislation, state and federal. How best to accomplish this, whether by placing the administration of unemployment compensation in the state agency administering other labor laws or in an independent agency, is a moot question.

The states are about equally divided on the matter, twenty-one having created independent agencies and an equal number having created an unemployment compensation division in the state agency administering other types of labor laws. State or local advisory councils, with equal representation of employers, employees, and the general public, should be of great assistance to the administration in formulating policy and in assuring impartiality in the solution of problems. Fourteen states have provided for this type of advisory council.

The most fundamental problem in administration is, of course, that of adequate personnel. Efficient administration cannot be had unless competent personnel is selected on a merit basis and unless the staff has the understanding and flexibility to meet the needs of a new and untried institutional development. Job classifications must be worked out, standards of training and experience must be developed, and non-political personnel must be selected according to these standards. A political and incompetent administration with bad management of funds resulting in their dissipation would quickly discredit not only this particular state unemployment compensation system but the whole social insurance movement in this country. In every state public opinion must be aroused to this danger—must be made to realize that the best law will be meaningless if poorly administered.

For years we have been saying, "there ought to be a law." We now have a law, and it must be administered by efficient, non-political personnel if it is to become an established part of our governmental structure.

Intergovernmental Fiscal Relations in the Nation's Capital

Controversy as to what share of the municipal expenses of the District of Columbia the federal government should bear still rages

LEWIS B. SIMS

Washington, D. C.

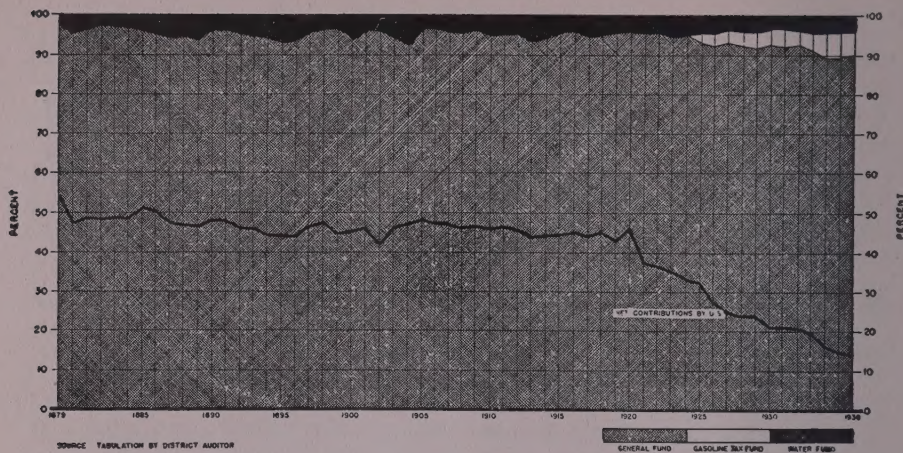
THE role of the federal government in municipal finance in the District of Columbia has been a subject of almost continuous controversy, investigation, and report for well over a century. Since 1834, when the first report bearing upon the subject was made, there have been literally dozens of official reports on federal-district financial relations; and unofficially there has been practically an uninterrupted study of the same or some closely related subject, carried on by the various citizens' associations, the Board of Trade, and professional economists and political scientists.

Recently, as the result of a special study of the fiscal relations between the federal government and the government of the District of Columbia, it has been proposed that the federal government's share of the district's municipal expenses shall in future years be cut to approximately one-half the sum made available for the operations of the current year.

This proposal has come as a painful shock to the people of the nation's capital. Rightly or wrongly, they had hoped for a recommendation looking toward a substantial increase in the federal liability to the district for the maintenance of the district's local government. During almost sixty years, ever since the reorganization of the local government in 1878, the federal share

of the district's municipal expenses had been growing smaller and smaller. At first municipal costs were shared equally, the theory being that Washington was not only a city unto itself but also the seat of the national government; later the Congress decided to reduce its share of the burden of local government and established a 40-60 ratio; finally in 1925, the Congress (without repealing the "40-60 law") appropriated a lump sum of \$9,000,000, which represented roughly only one-third of the local annual expenses for that year. But it was not the mere change to the lump sum method that was causing the local citizenry to feel that any fresh investigation would surely recommend a new deal for the district. The trouble was that this "lump sum" of \$9,000,000 had itself been continually reduced. In 1933 it was cut to \$7,775,000, and in 1934 to \$5,700,000. While municipal expenses mounted, the federal contribution for the current year fell still further to \$5,000,000—less than one-seventh of the total budget for the fiscal year 1937. Citizen resentment in Washington was rife. Each year the Congress itself wrangled over the fiscal relations issue. Something should be done about it, the national legislature decided.

In the district appropriation act for the fiscal year 1937 the Congress inserted a provision that \$50,000 should be



Courtesy of U. S. Government Printing Office

PERCENTAGE DISTRIBUTION OF DISTRICT GOVERNMENT EXPENDITURES BY DISTRICT FUNDS AND
NET CONTRIBUTIONS OF FEDERAL GOVERNMENT FISCAL YEARS, 1879-1936

available for making "an independent study" to ascertain what is "a fair and equitable amount to be paid by the United States as an annual contribution toward the expenses of the government of the District of Columbia."¹ In August 1936, President Roosevelt appointed J. L. Jacobs as director of the fiscal relations study and George McAneny, C. A. Dykstra, and James W. Martin as an advisory committee. To readers of this REVIEW or to other students of municipal government and finance it is unnecessary to point out the qualifications and competency of the four men appointed to carry on the investigation.

The director of the survey in turn selected a qualified research staff, and on January 8, 1937, almost at the opening of the 75th Congress, the President transmitted to Congress the results of the fiscal relations committee's research, a report comprising 244 quarto-size pages.² The report is well written,

well documented, and well arranged. To the impartial observer that much is clear, irrespective of how he may consider the conclusions and recommendations. The report is based upon a great deal of independent research, original statistical data gathered especially for the purpose, and a series of public hearings conducted by the advisory committee and the director of the survey.

Public reaction to the report was extremely unfavorable. When it was made public, newspapers gave it voluminous and caustic publicity. One newspaper headlined, "D. C. Taxes to Soar as U. S. Slashes Aid—Fiscal Proposal Confronts City with Crisis." The amount recommended to be paid by the federal government toward the maintenance of the district government in the fiscal year 1938 was \$2,533,357. Such a federal contribution would be the lowest of any year since 1889, when the national government contributed \$2,380,000, an amount equal to 50 per cent of the municipality's small budget for that year. The amount proposed was promptly labeled "ridiculous" by the citizens' associations, the Board of Trade, the local chapters of the auto-

¹Public No. 762, 74th Congress, approved June 23, 1936.

²Copies of this report may be obtained from the Superintendent of Documents, Washington, D. C., at 40¢ per copy. The report should prove a useful document for the student of intergovernmental finance generally.

mobile associations, the district commissioners, and the newspapers. The report was attacked in whole and in detail. Even the arrangement was dubbed "confusing." One editorial criticized some of the conclusions on the ground that they had been produced by "a theoretical yardstick hitherto unapplied," indicating, perhaps, that independent theories should not be used in independent surveys.

CONGRESS CRITICIZES REPORT

Adverse criticism came also from the halls of Congress. Two prominent senators stated publicly that in their opinion the fiscal relations committee had exceeded the intent of Congress by going into such non-fiscal matters as suffrage and congressional control, adding that Congress already knew "infinitely more" than the committee regarding these questions. "Defects" and "difficulties" were pointed out. One representative expressed reticence to comment until a careful study of the report could be made—then added immediately: "However, I do believe the plan is unfair and decidedly inequitable to the district." From the Senate came a proposal to inaugurate an entirely new investigation of the fiscal relations problem to be carried on by a commission of five senators, five representatives, and five residents of the District of Columbia.

Two sub-committees of the House district committee were set up to study the Jacobs report, and during the weeks of March 8th and March 15th members of the fiscal relations committee were called to Washington to testify.

Aside from an increased contribution from the federal government, the primary desideratum, according to the taxpayers, was a "formula"—a fixed method by which the annual federal liability to the district might be deter-

mined in future years. A formula would obviate the necessity of the annual congressional wrangle. Realizing the desirability of finding a curative for the district's fiscal malady, the economic clinicians of the fiscal relations committee developed what they thought to be a definite, workable, three-point formula. Its application to the municipal budget for the fiscal year 1938 resulted in a recommendation, as previously mentioned, that the federal government share the district's expenses to the extent of only \$2,533,357, less than one-fourth of the amount suggested as equitable by the citizens' associations. Had the application of the formula resulted in a recommendation for a higher federal contribution, perhaps the committee's sharing device would have received local commendation. Under the circumstances not only has this particular three-point method been roundly criticized, but even the idea of employing a formula at all has for the present been largely thrown into the discard. And out of the above-mentioned hearings of the House district committee concerning the Jacobs report, it developed that the congressional lawmakers were "unimpressed" by the formula method, with the result that they have recommended returning to the old lump sum method, at least for the fiscal year 1938.

The Jacobs committee based its recommendations upon a plan, or formula, consisting of three points, as follows:

I. Intergovernmental contractual services:

Contractual arrangements shall be established for the reimbursement of the cost of specific intergovernmental services supplied either government by the other. Appropriations therefor shall be included in the respective annual departmental budgets.

Pending the grant of broader powers of local control over purely local affairs, unusual costs of the district government caused by statutes providing special allowances and leaves in excess of those usually provided in

cities of comparable size shall be met by the federal government.

II. *Capital outlays of joint interest:* The National Capital Planning Commission shall determine the extent of the respective federal and district interests in capital outlays and improvements included in the district budget. The capital outlay budget of the district, divided accordingly, shall be prepared and submitted by this commission through a district authority together with a long-time improvement program for the district similarly apportioned.

III. *Per capita governmental costs:* Pending the grant of broader powers of local control over purely local affairs, the excess of district governmental costs per capita over the average of those in comparable cities shall be assumed by the federal government through appropriations especially designed for this purpose, provided, however, that such excess district governmental costs shall be assumed only after allowance has been made for reimbursements due to unusual costs occasioned by congressional enactments referred to under point I of the formula.

SERVICES BY CONTRACT

Let us consider these three points individually. Point I is based upon a reasonable theory. Elsewhere the writer, in considering the subject of intergovernmental services on the lower levels of government, has concluded that coöperative services between governments frequently are desirable and that the most satisfactory method of paying for such services is by contract.³ The system proposed for the District of Columbia involves merely the reimbursement to either member of the federal-district establishment for "services rendered." It is analogous to a city's paying its municipally-owned electric light plant for

electric power received (an excellent practice too frequently ignored); it is analogous also to a corporation's providing for service payments between or among its various units. No robbing of Peter to pay Paul is involved. Strict accounting should be made of interagency transactions, and payment for services is something that ordinarily should be taken for granted. Indeed, some of the federal-district intergovernmental services are already reimbursed on a contractual basis—as, for example, certain institutional services—apart from the annual lump sum contributions from the federal treasury. If the District of Columbia be thought of as a state-county-municipal entity in itself, there is all the more reason for keeping track of intergovernmental services and paying for them what they are worth.

ESTIMATING WORTH OF SERVICES

But, it has been retorted, the very worth of many of the services can never be accurately arrived at, that any "estimates" made will never be replaced by anything except other estimates. To this objection we may with logic reply that estimates are better than guesstimates⁴ and that a series of careful though not wholly accurate estimates is far better than a single, over-all conjecture. Yet this hit-or-miss, unscientific system has prevailed in the halls of the national legislature at least since 1925.⁵ That

³Joseph S. Davis, "Statistics and Social Engineering," *Journal of the American Statistical Association*, March 1937, pp. 1-7.

⁴The lump sum of \$5,000,000 appropriated by the Congress for the current fiscal year was a compromise figure arrived at as the result of a prolonged disagreement in which the House of Representatives urged a federal contribution of \$2,700,000 and the Senate insisted on a contribution of \$5,700,000. On April 2, 1937, in recommending continuance of the lump sum contribution for 1938, the chairman of the House subcommittee on appropriations for the district asserted: "We finally made the best guess we could and we guessed at \$5,000,000." (*Congressional Record*, vol. 81, p. 3934.)

⁵See author's "Efficiency and Economy Through the Establishment of [Intergovernmental] Coöperative Services, *Sixth Report of the New York State Commission for the Revision of the Tax Laws*, Albany, N. Y., 1935, p. 501 (esp. pp. 508-513). Cf. Frank M. Stewart, "City-County Contractual Relationships," *Public Management*, January 1937, pp. 14-17.

true perfection cannot be achieved in this case is patently not a valid argument against the plan.

Neither is it an argument to say that too much work, too much accounting, would be involved. Irrespective of whether actual payments are made or not, the facts should be known; and to provide these, a top-grade accounting system ought itself to be sufficient. Public bodies have long been too lax in their accounting methods, and the federal government and the District of Columbia cannot be dignified as exceptions to the rule.

The fiscal relations committee, with the coöperation of the federal and district officials, undertook an exhaustive survey of the intergovernmental services performed by both of the governments. A total of thirty-nine specific services, the committee has reported, are being performed for the district by the federal government, and thirty specific services (including water service) are being performed for the federal government by the government of the district. A net federal payment of \$1,996,407 for intergovernmental services was recommended for the fiscal year 1938.

A few of the so-called services allegedly rendered the district by the federal government seem open to criticism. An example is furnished by the federal review, control, and compilation of the district budget. This function is not rendered, but denied the government of the District of Columbia. To charge the local government with \$14,000 for this "service," as the committee proposes to do, appears to local critics to be insult added to injury. Also, the federal codifying and printing of district statutes seems to be no more a municipal function than the actual congressional enactment of district statutes, some of which ultimately go to make up the code. Although the committee recommends reimbursement to

the district for making available special police details for specific federal purposes (e.g., police escorts for the President to or from the railroad station), it fails to make any recommendation concerning the general police protection afforded federal officials or the fire protection accorded federal property. Also, high salary levels obtaining in municipal Washington on account of federal standards are mentioned but not recommended for consideration.

Despite these minor weaknesses in the presentation of the case for payment for intergovernmental services, the concept appears clearly to be founded upon logical ground. And the very cost accounting necessarily incident to the recording of and subsequent reimbursement for such services might well result in improved reporting to the district taxpayers.

The second point of the formula is also based upon sound theory—that the costs of capital improvements in which the two governments have a joint interest should be allocated in accordance with the benefits expected to accrue to each government. A net federal payment of \$536,950 for capital outlays in the district was recommended for the fiscal year 1938.

Although such a proposal appears to the writer to be possible of accomplishment, it hardly seems safe to say that the allocation of costs would be a "relatively simple matter," as the fiscal relations committee claims. Some doubt may also be expressed over the suggestion that the National Capital Park and Planning Commission, to be re-named the National Capital Planning Commission, be made the agency to prepare the improvement budget and to apportion the capital costs between the two governments. A city planning commission ordinarily is an agency constituted to prepare and develop a physical plan for the city and to enhance the city's beauty

and livability. Even if the personnel of the park and planning commission (a federal agency) were changed to include local citizens qualified in "planning and engineering" (why not public finance and state and local government?), it is questionable whether the park and planning commission would be the appropriate agency.

COMPARISONS WITH OTHER CITIES

Point III of the committee's formula rests upon a theory that makes it the most debatable of the three points. The principle involved is that "district residents and taxpayers should not bear a burden of governmental cost for like services substantially in excess of that in similar American communities" and that any excess should be borne by the federal government so long as it exercises control over purely local expenditures. No federal payment was recommended on this score, since no excess district governmental costs were anticipated by the committee.

To the theory stated, three types of objections may be raised: (a) How are "like services" to be measured? (b) Which of the district's sister cities are "similar American communities," and what criteria are to be used in arriving at municipal similarity? (c) What effect does the acceptance of the principle of comparative costs have upon the argument that one-third of the assessed value of real property in the District of Columbia is accounted for by federal holdings, which are wholly exempt from municipal taxation?

Because of the gross lack of non-financial statistics concerning the operations and services of our American cities,⁶ the fiscal relations committee compiled such data from certain cities in an attempt to ascertain the extent and quality

of municipal services in the nation's capital as compared with other cities. Considering the limited amount of time available, as well as the paucity of available statistics, it may be said that the committee has prepared a useful summary of comparative governmental services—but not a completely satisfactory one. Although some current attention is being paid to the question of measuring municipal government,⁷ we still have far to go in the development of quantitative methods in public administration.

Seventeen cities were chosen, on a population basis, as being "comparable" with Washington, Cleveland (1930 pop. 900,429) being the largest and Jersey City (1930 pop. 316,715) being the smallest of the cities selected. But is population the only criterion to be used? Municipal functions themselves vary greatly as between cities. The entire question of effecting comparability between the statistics of one city government and those of another has been up for discussion in many quarters for some time; and at the present moment the Bureau of the Census is hard at work trying to solve this problem. It deserves more attention than can be given it here. But the difficulties involved in defining municipal similarity so far as municipal functions are concerned would surely plague any federal-district survey agency set up to compare the nation's capital with other "comparable" cities.

Even if an acceptable method of determining comparability can eventually be found, to provide that the district government must bear a cost burden no greater than the "average burden" borne by other cities is to place a premium upon municipal inefficiency in the district—less efficiency, greater federal benefits.

⁶The Bureau of the Census compiled certain non-financial municipal statistics in 1902, 1903, 1909, 1915, 1916, 1917, and 1918.

⁷See the series of articles by C. E. Ridley and H. A. Simon, "Measurement Standards in City Administration," beginning in *Public Management*, February 1937, pp. 46-49.

NATIONAL PROPERTY INCREASING

The amount and value of federal property—exempt, of course, from local taxation—is increasing steadily and rapidly in the District of Columbia, as is indicated by the following:

Fiscal Year	Percentage of Federal to Total Assessed Valuation
1930	27
1931	27
1932	27
1933	28
1934	30
1935	31
1936	31
1937	33

It is this extraordinary situation that gives rise to the entire fiscal relations problem under discussion. Although the removal from taxation of state and local real property by virtue of its being acquired by the federal government has recently begun to cause difficulties in certain areas of the United States,⁸ the problem is peculiarly aggravated in the District of Columbia. In 1930 only 67 per cent of the value of real property was taxable; but today only 59 per cent is taxable. Can such a reduction in the geographic tax base continue indefinitely? The fiscal relations committee believes that this problem is solved by the acceptance of the principle involved in point III of its formula. But with that belief the writer cannot agree. It has been implied by the committee that the acquisition and improvement of property by the federal government enhances the value of all other property. However, the same is true in other cities when a large corporation buys and im-

proves properties; yet the corporation does not thereupon become exempt from taxation upon its holdings.

The proposal to make the governmental cost burden in the district no heavier than that in other cities seems to be necessarily incompatible with the suggestion frequently advanced that the federal liability toward the maintenance of the district government be based upon the value of federal holdings in the district. One theory cannot be accepted without discarding the other. The fiscal relations committee made its choice and offered some arguments therefor. Although to the writer they appear more ingenious than convincing, they certainly warrant more dispassionate consideration by Congress and by district sympathizers than they have received to date.

The valuation placed upon federal property by the district assessor is based upon book value (historical cost) and hence on some of the holdings of the national government is probably excessively high, owing to the monumental character of many of the federal structures. Suppose, however, we err on the side of conservatism and compute the value of the federally-owned property on the basis of land value only (less assessed value of all parks), omitting entirely the value of improvements. The federal land value is \$342,200,000, and the value of all parks is \$70,000,000 leaving a net land value of federal holdings amounting to \$272,200,000. Were these holdings to be actually taxed at the prevailing tax rate of \$1.50, the total yield would approximate \$4,100,000. Employing the theory alternative to the one accepted by the Jacobs committee, there would seem to be some degree of reasonableness to a plea that for running expenses the district government be made the recipient of an

(Continued on Page 240)

⁸James W. Martin, "Conflicting Taxation with Special Reference to Local Finance," *Bulletin of the National Tax Association*, October 1936, pp. 21-24.

The Challenge of the Trailer

Social implications of a new problem on the doorstep of governmental officials.

MABEL L. WALKER

Tax Policy League

THE nation that has learned to accept with nonchalance the automobile, airplane, radio, and mechanical refrigerator—all within a few decades—is now very much agog over the advent of the trailer. Although the trailer is mechanically much less startling than the other innovations mentioned it may perhaps, because of its tremendous sociological implications, cause more of a stir.

When the John Brown of the twenties bought the new Ford and the electrical gadgets, and even when he began to take business trips by airplane, he still continued to get his mail through the old post office and to pay his taxes at the county seat. He sent his children to the local schools and continued as before to be a resident citizen of the state with a permanent place of abode. Family life and the social structure, in spite of some minor inroads, continued to be much the same as before.

But when John Brown, 1937 model, buys a trailer and embarks with his household on a nomadic existence he creates new situations and problems that result in a lot of head-scratching and brow-wrinkling on the part of harassed government officials.

One may regard the trailer in pessimistic mood along with the health department officials of San Diego who state that "the trailer house-car is one

of the greatest backward steps taken in American housing," or with a public welfare official who declared at a recent round table conference of the American Public Welfare Association: "If trailers ever get into mass production—God help us!" Or, one may view the trailer phenomenon with the optimism, not to say exuberance, of the trailer manufacturers and the trailerites themselves. More tempered optimism is viewed by some representatives of real estate and city planning. Herbert U. Nelson, secretary of the National Association of Real Estate Boards, holds that, "The general opinion seems to be that trailers are just another step in a rising standard of living and will not replace anything that is good."

Gordon Whitnall, planning consultant for Santa Monica, California, says: "I personally believe that there are certain very valuable potentialities in the trailer that warrant our seeking the good in them rather than blindly attempting to prohibit directly or indirectly by regulations."

It seems to the writer that the movement is fraught with tremendous possibilities—both for good and ill—and that if it continues to expand, as it now shows signs of doing, it will introduce unprecedented complexities in our way of life. Whether the net result is good or bad depends largely upon the

intelligence with which the problem is handled. It does not appear likely that the trailer can be regulated out of existence. The activities of antagonistic officials who prescribe rules with that end in view will probably merely aggravate the problem. For if the officials of Smithtown, Anystate, place a taboo upon rolling homes, it is very likely that Farmer Jones with a large farm just outside the city limits may find a year-round crop of trailers more profitable than an annual crop of potatoes. A large unregulated community of trailerites on the outskirts of the city may prove more awkward than a controlled community within the city. The offering of trailer accommodations can easily become as widespread within the next few years as the offering of automobile tourist accommodations has become within the last decade.

EFFECT ON HOUSING

The trailer development is so new and so unprecedented in our social history that it may be well for us to tax our imaginative powers in an effort to visualize some of the possibilities and probabilities inherent in the situation. The trailer movement may have effective potentialities in the fields of housing, labor, education, health, and recreation.

The country is faced with a housing shortage. Permits issued for residential buildings in 257 identical cities dropped from a high point of 491,222 in 1925 to 27,381 in 1932, 25,879 in 1933 and 22,063 in 1934. They crept up to 55,810 in 1935, and 116,114 in 1936. There was no plethora of desirable housing in 1929 and the extreme underbuilding of the seven depression years has brought about a serious situation. There is substantial agreement among housing authorities that one-third of the population are living in substandard housing. The need for new

dwelling units has been variously estimated at from 750,000 to 1,400,000 annually for the next ten years. Government-subsidized housing will do something to take up the slack but it is doubtful that any very considerable part of the housing need will be met in this way. The private house-building industry will do something to fill the need but that hopelessly archaic and inefficient makeshift of an industry will have to be thoroughly revitalized before it will come anywhere near meeting the needs of the housing market as well, for example, as the automobile and radio markets are being met.

The situation, therefore, with respect to housing the great mass of low income groups is most depressing and the trailer enters the picture of American life at a strategic moment.

If an average of 250,000 trailers is produced annually within the next few years and if as many as one-half of these are used as year-round homes, the trailer may prove to be a potent factor in averting a situation of wretched overcrowding and intolerable housing for great numbers of persons. For the removal of 625,000 families within five years and 1,250,000 within ten years from the low-cost housing market would make conditions more tolerable for those who stick to the stationary home as overcrowding, rent profiteering, and the use of most unfit structures would be thereby diminished. Also, the trailer may offer inspiration to builders and architects in meeting the demands of the low-cost housing market—a market which has been almost completely ignored in our past. It seems but a step—albeit a wide one—from the mass production of trailer homes to the mass production of stationary homes.

The trailer is far from being an ideal home arrangement, especially for large families, but it does offer certain ameni-

ties of sunshine, air, and sanitation which are not available in many of our crowded city tenements and impoverished rural shacks. Trailers may be parked in de luxe trailer parks for a small fee, or they may be stationed in more isolated spots for nothing at all. They may be bought at prices ranging upwards from a few hundred to several thousand dollars. Moreover, these prices will tend to decrease as a result of mass production and of the sale of second-hand models. In addition installment buying is being handled by automobile finance companies on about the same basis as time payments for automobiles. These figures make it appear that a certain modicum of decency and comfort as well as independence may be obtained in these houses on wheels by persons who have never had an opportunity to live in anything remotely resembling decent housing of a stationary nature. Also, it seems plausible to expect that this drain may serve to deflate the value of obsolete and inadequate housing and make possible the demolition of many old disease and fire traps and structurally unsafe buildings.

LABOR MOBILITY PROMOTED

The trailer may be of profound significance in affecting the mobility of labor, particularly in the case of seasonal trades. Farm hands, waiters in resort hotels, and other workers in migratory occupations may be able to find a new dignity and comfort in their trades as a result of these rolling homes. On visiting a trailer park in Miami the writer was informed that a large number of the trailerites were hotel waiters. The park was attractively laid out and planted with palm trees and other shrubbery. Two free movies and one free dance per week were provided by the management. Parking charges were two dollars per week for a trailer hous-

ing two persons. A charge of fifty cents per week was made for each additional person. (Summer rates are lower.) Sanitary facilities and a certain amount of free electricity were provided. The trailerites used their own gasoline stoves for cooking.

Not only workers in seasonal trades but also those in dynamic industries find security in mobility. The federal government has been attempting during the last few years to build up a co-ordinated system of public employment offices. The migratory laborer may find his economic position very much improved as a result of the simultaneous development of public employment offices which keep him informed of job openings and the trailer which enables him to follow up the job.

"Security is not always won by staying in the same place," declares Carter Goodrich in the September 1936 issue of the *American Labor Legislation Review*. "In a dynamic society, one of the serious risks is that of being stranded in an area of declining employment, and one of the most important means to individual security is the ability to move in response to changing opportunities."

The trailer may give several new twists to our educational program. From such scanty data as are available children seem somewhat in the minority among the permanent trailer population. Many of the year-round trailerites are elderly persons and there are also many young couples without children. Children of school age do, however, appear in the trailer colonies in some sections in sufficient numbers to cause protests from local officials concerning educational burdens. It is probable that this problem will increase in magnitude and may prove instrumental in bringing about greater federal support of education.

An interesting angle to the trailer-education subject is afforded by the presence of trailer colonies on some of our college campuses. Forty-four students of the State Agricultural College at Logan, Utah, are living in trailers. Some of the trailer families estimate their expenses to be as low as ten or fifteen dollars a month, including parking space, rental, and electric light and water bills. Trailer residents are to be found among many other college groups. Many of the trailers are made by the students themselves. It is doubtful that many students who can afford the more comfortable life provided by the dormitory or the frat house will resort to trailer residence, but the trailer may prove to be a means of making higher education possible for many persons who would otherwise find it beyond their reach.

HEALTH AND RECREATION PROVIDED

The health and recreational advantages of the trailer are fairly obvious. Many persons of limited means who may be suffering from ailments which can be cured only by a change of climate will find this made possible by the trailer. Extended travel and summer vacations by mountains and seashore will be brought within reach of the masses.

The trailer is essentially a poor man's commodity. There are, of course, the land yachts de luxe, but the persons who can afford them are unlikely to use them to any considerable extent. Among the middle income classes it is probable that trailers will serve mainly as a vehicle for vacation and weekend outings. But to great masses of the people below this income level the clumsy and humble rolling house will open up the way to a new freedom and opportunities for the pursuit of health, prosperity, and happiness which have previously belonged only to the wealthy.

The house trailer is certainly not an ideal form of residence, but it is vastly better than many persons now have. Trailer life is a forward step for some persons and a backward step for others. For Mr. and Mrs. Suburbanite and their two or three children, who now live in a comfortable six- or eight-room house with modern conveniences, plenty of sunshine, and good environment, to give up their home and adopt the trailer life would be a decidedly retrograde movement. They might, however, find it desirable to own a trailer for vacation purposes.

For the family living in a small, dirty, unheated New York tenement to which the sunshine never penetrates and which is served by a filthy hall toilet, life in a \$500 trailer in a well regulated trailer park would be a great forward step.

Not only must we keep in mind the previous status of the trailer family in determining whether or not the trailer life is an advantage but we also have to know the reason for adopting trailer existence. There is a vast difference between living in a trailer a year or two in order to obtain a college education, to secure health benefits by change of climate, or to enjoy a period of extended travel and sight-seeing, and adopting the nomadic life as a permanent form of existence. Trailer life may be justified for great numbers of the population during the vacation periods, for others as a temporary form of existence in order to obtain certain special benefits, for low-paid laborers in migratory employment, and for some of the definitely submerged classes of the population who cannot afford anything remotely resembling decent housing that is now being offered in stationary homes.

Our attention has so far been con-

(Continued on Page 250)

The Charter League of the Electric City

Schenectady citizens' organization, having won fight for manager charter, continues its efforts on behalf of good government.

PHILIP L. ALGER

Schenectady Charter League

SCHENECTADY, inspired by Cincinnati's splendid example, has set for herself an ideal of good local government. Starting in May 1934, with a meeting of eighty citizens of varied interests, a Charter League was organized whose first undertaking was a campaign for the adoption of a council-manager charter (plan C of optional city government laws of New York 1914). This campaign was carried to success in November of that year.

In 1935, after winning a legal fight to prevent the plan from being declared illegal on a technicality, a hard fought campaign to elect candidates to the first council under the new charter was lost by a narrow margin. As a new campaign approaches, however, the Charter League is organizing with fresh enthusiasm to support the best available candidates for the council, and is also considering plans for an urgently needed county government reorganization.

To understand the story of this progress of the "Electric City" toward better local government ideals, something of the city itself should be known. Schenectady has a population of about 95,000, is situated in a good dairy and farming country in the Mohawk Valley, and is largely dependent on two manufacturing plants, the General Electric Company and the American Locomotive Company. These plants in good

times directly employ more than twenty thousand people, of whom a considerable portion are foreign born. In short, Schenectady is a workingman's town. The city has also an unusually large group of college graduates and technically educated citizens, including the Union College faculty, engineers, and scientists. Participation of the latter group in public affairs has in the past been abnormally low, however, because of the transient residence of many of the younger men who are in training for positions in other cities.

The basic interest of the citizens in government is evidenced by the work of the Schenectady Bureau of Municipal Research, organized in 1927 and supported by about five hundred contributing members. The present director of the bureau, Mr. Abbett Pulliam, has been very active in publicizing information on municipal problems and providing data for the guidance of city officials.

The city was hit hard by the depression, factory payrolls in 1932 and 1933 falling to 80 per cent of their 1929 peak. Relief problems thus coming forcibly to public attention, many citizens for the first time became active in civic work. This interest was accentuated by the tax delinquencies and consequent financial troubles of the city, which led to the formation of a

strong taxpayers' association. The officers of this group held many conferences with city officials, and thus became aware of the shortcomings of the local political leadership.

Schenectady has made several efforts in the past to secure better local government. In 1912, the city was aroused by paving contract scandals and elected the crusading minister, George R. Lunn, now chairman of the state public service commission, as mayor on the Socialist ticket. In 1925 a move to inaugurate a manager plan government was launched, but met organized party opposition and was defeated at the polls. The Charter League, therefore, has had some local talent and tradition to draw upon in forming its first organization.

THE LEAGUE ORGANIZES

The first executive committee of the league, elected in May 1934, included Mrs. R. S. Coulter, Mrs. Bruce Buckland, and Mrs. S. B. Fortenbaugh, active in the League of Women Voters; W. R. Grodkiewicz, prominent in boy scout work and Polish-American societies; F. J. Perrotta, president of the Italian Societies of Schenectady; Pat McEwan, president of the Pattern Makers' Union; J. P. Eaton, secretary of the original manager plan association; and four engineers, P. L. Alger, R. J. Finch, W. C. Heckman, and T. R. Rhea. Their first task was to agree on principles and a program of action. Complete agreement being reached after many hours of work and discussion, in August the League published five thousand copies of a twelve-page pamphlet, "The Council Manager Plan for Schenectady," and distributed them throughout the city. The following excerpts from this publication show the philosophy holding together the very diverse groups that make up the league membership.

The Charter League of Schenec-

tady is a citizens' organization formed to promote better government in Schenectady and the selection of public officials best qualified to serve Schenectady. The first object of the league is to secure a simple, business-like form of government for the city. It is believed that this can best be accomplished by the adoption of the council-manager form of government. . .

All non-office-holding citizens are eligible for active membership in the league. No dues are required. . .

Better methods of government than we have had in the past are needed in these days of greatly extended city services and duties. A careful study of local government indicates the council-manager plan to be the best form now available for Schenectady. The experience of other cities indicates that such a plan attracts a high type of public official and provides a government that is quickly responsive to public opinion.

The public response to this pamphlet was immediately favorable, and beyond derogatory remarks at their own meetings the political machines took no active steps to oppose the plan. Under the dynamic leadership of T. R. Rhea, a city-wide organization was formed to work in each voting district and to watch the voting machines on election day. A petition with nearly three thousand signatures was filed with the city clerk in September; letters soliciting opinions on the plan were sent to some five hundred clubs, societies, and organizations of every sort; and such outside speakers as C. A. Harrell of Binghamton, Walter J. Millard of the National Municipal League, William H. Lough of New Rochelle, Julius Hoes-terey of Rochester, and R. F. Stedman of Syracuse were invited to address Schenectady audiences.

Educational efforts included the distribution of leaflets printed in English, Polish, and Italian, together with cards indicating the correct method of registering "yes" for the manager plan on the voting machines. League workers distributed these to nearly every house in the city, but did not attempt any canvass of the voters in advance of the election.

It was found impossible in this first campaign to secure active league workers resident in every voting district, but sufficient volunteers from other districts were found to inspect every voting machine before the polls opened at 6 A. M. and after they closed at 6 P. M. Two or three men were assigned to every district where the reliability of the election officials was in question, while one or two watchers, many of them women, were assigned to each of the other districts. Each watcher was instructed to make certain that all voting machine dials were set at zero at the start, and to personally read off the total number of votes cast for check against the total registration, as well as the totals for and against the question.

In financing the campaign—as well as the 1935 campaign for the election of councilmen—W. C. Heckman as treasurer and J. T. Broderick as finance committee chairman placed chief reliance on personal solicitation of a wide circle of friends of the league. The 1934 campaign required only about \$1,000 and the 1935 campaign about \$3,000, and in each case there was a small surplus the day after election. Social events that promoted acquaintanceship and publicity proved both a helpful source of income and an important means of enlisting new workers.

When the ballots were counted on November 6, 1934, the manager plan was declared adopted by a vote of two

to one, with a favorable majority in seventy-three out of the city's seventy-seven election districts.

In several districts the presence of league watchers when the results were read off the voting machines was resisted, and in one district they were refused permission to check the figures. As the results reported by this district gave the vote as 51 yes to 223 no, while all the other districts of that ward gave a two- or three-to-one favorable majority, the league immediately requested the board of elections to open and examine the voting machine in question. This being done, the correct vote was found to be 150 yes to 43 no, and as a result the election inspector at fault was indicted and convicted of a misdemeanor.

SUIT FILED

Opposition of the political machines was further evidenced by the immediate filing of a taxpayer's action to declare the adoption of the plan illegal on a technicality. The taxpayer (later found to have voted but not to have secured citizenship papers) was legally represented by the secretary to a former Democratic mayor, who was later given an appointive office by the first administration under the manager plan. Mr. Richmond D. Moot, attorney for the Charter League, was permitted to defend the case as a friend of the city. The first court verdict was favorable, but was reversed in the supreme court. The league then appealed to the New York State court of appeals, where a unanimous verdict in favor of the plan was handed down.

Each week throughout 1935, in preparation for the election of the first city council under the manager plan, the league supplied each newspaper with a brief article describing features of the new plan and league objectives.

The local newspapers have been very

fair and helpful in giving publicity to all Charter League activities. An editorial in one of the papers some time after the first election included the following statement: "The Charter League has done a tremendous service to the community in putting into tangible form ideals which had been for years in more or less nebulous state. . . . This indicates a fine spirit of public service. The members of the Charter League for some two years have been working, with no expectation of monetary reward or political jobs, to bring about better government in Schenectady."

The 1935 campaign got under way with a dinner in honor of Murray Seasongood, first mayor of Cincinnati under its manager charter, on May 13. Mr. Seasongood's address, giving Cincinnati's experience and ideals, was most inspiring and helpful in crystallizing the campaign plans. Under the leadership of Barrington S. Havens, as campaign manager, the ward organizations were formed anew, and educational activities carried on throughout the city.

CHOOSING COUNCILMANIC CANDIDATES

The principal question to be decided in this campaign was whether the league should enter its candidates in the Republican and Democratic primary elections, or simply endorse the best of the party candidates, or nominate its own candidates on an independent petition. Views differed greatly on this problem. Many believed the best course would be to work in the party primaries for the election of the best candidates, considering use of the national political party designations most important for success. Others believed that any candidate who owed his election to a party vote would be under such strong pressure for patronage that he could not serve the city disinterestedly. Practical difficulties of organization for work in

the primary campaigns and in the selection of party candidates also indicated the nomination of independent candidates to be most expedient. On the other hand, a strong feeling existed that the league should use its balance of power to elect the best party candidates rather than creating a third party.

An important factor in the decision was the conviction held by many league members that municipal elections should be nonpartisan in character, as city government is just a matter of good housekeeping and does not involve party principles. Unanimous agreement was finally reached that for this first campaign a complete slate of candidates for mayor and council should be nominated by the Charter League on an independent petition after the results of the primary elections were known.

Selection of the candidates presented another difficulty, as it was desired to make the choice on a democratic basis rather than by the fiat of a small committee. Two independent committees were formed to consider candidates. One was composed of business men and others not active in the work of the league who were in positions to know the past records and abilities of candidates. The other was composed of the ward leaders and the most active workers whose energy and idealism formed the real strength of the league. Lists of names were discussed by each group and rated in order of preference, and the lists were then interchanged and rerated. Finally, unanimous agreement was reached, and a petition nominating the seven league candidates was circulated and duly filed with over seven thousand signatures, although only fifteen hundred were required by law. Two hundred and thirty league members participated in this work.

A leaflet listing the candidates and presenting the eight-point platform of

the league was printed in English, Polish, and Italian, and distributed throughout the city. Numerous public meetings were held and in several cases candidates of the league and of the other parties spoke from the same platform.

The Republicans, having control of the city, were aided by city employees. Their candidates claimed public support on the basis of experience, and criticized the league candidates as impractical reformers. The Democrats put forward a slate including some candidates of a higher type than had been offered in many years, but also including some well known partisans. One of the women members of the Charter League executive committee was persuaded to resign and accept a place on this ticket. These candidates claimed support on the basis of a specific city departmental reorganization plan, and on their personal reputations. The league candidates stressed chiefly the need of eliminating patronage evils and introducing stable city employment based on merit alone.

The results of the election were very close, the Republican candidates averaging 12,677 votes each, the Democrats 11,609, and the league candidates 11,057. Six Republicans—three representing the regular party organization and three an opposing faction—were elected, together with one Democrat. The Charter League votes were distributed roughly in proportion to the degree of education of the voters in Charter League principles, the newspaper-reading "white collar" wards going strongly for the league.

In the first year of the manager plan, the Republican machine controlled only three members of the council of seven, but these three combined with the single Democrat to run the city government on conventional patronage lines, ap-

pointing the former city engineer as manager, and seemingly dictating his procedure.

The voters' general desire for improved local government was heightened during the past summer, when an audit of the county clerk's books showed a gross neglect of the records and disappearance of some \$25,000. This scandal, and the general dissatisfaction with the Republican leadership, led to the election of a Democrat as county clerk in November 1936 after a hard fought campaign.

NEW MANAGER SELECTED

Following this defeat, the three organization Republican members of the city council, who come up for re-election in November 1937, agreed to recommend a new city manager. After the public had expressed its dissatisfaction with the 1937 city tax bills, showing a greatly increased rate, a fourth Republican councilman joined the three in extending an invitation to Mr. C. A. Harrell, city manager of Binghamton, to come to Schenectady. Mr. Harrell took office on February 16th, and has already initiated some desirable changes in the city hall.

In addition to preparations for the 1937 city campaign, the league is devoting a good deal of study to county government. The present county organization without an executive head and with the record of defalcations in the county clerk's office, is in need of change. Study of the various county government reorganization bills pending at Albany indicated that none of them gave the desired simplicity and complete freedom of organization suited to a small county such as Schenectady. At the request of the league, therefore, Mr. R. D. Moot has drawn up a bill (no. 1435 in the senate, and no. 1819 in the assembly) providing for reorganization of Schenectady county government,

and this has been introduced in the legislature by the Schenectady representatives, Senator Miller and Assemblyman Armstrong.

After the legislature has acted, the league intends to prepare a pamphlet on county manager government similar to the 1934 pamphlet on city manager government, and circulate it widely for discussion and possible action this fall.

Those engaged in the Charter League activities have learned much about civic problems, and are gradually evolving a better understanding of means for securing better government. Whatever the ultimate success or permanence of the league's program, they feel that it has raised public interest to a new pitch and set forth high ideals of public management that will be a continuing force for better things.

The mere fact that the voters have offered to them an alternative to the conventional partisan slates of candidates markedly improves the standards of party performance. Thus, even though the league candidates were not elected, the public has been so far educated that the political parties cannot win the next election unless they do a much better job than formerly. For a given amount of effort, it appears that this indirect method of elevating the parties' standards by offering competition will be much more effective than the direct method of trying to work with the party committees.

In taking this independent position, the league has realized the necessity of maintaining a county-wide membership with a committee organization that will truly reflect public opinion and mould the league policies to accord with it. A new constitution was drawn up for this purpose, and was adopted at a public meeting of the Schenectady Charter League in February 1937. This provides for the election of two mem-

bers of the county committee of the league from each voting district, preferably one man and one woman, and election by this committee of an executive committee of seven: a chairman, vice-chairman, secretary, treasurer, and chairmen of the advisory, campaign, and finance committees.

PROSPECTS GOOD

The prospects for a victory of the league's candidates at the 1937 election are very bright, as the number of interested workers is much greater than in any previous year, and the experience gained in the earlier campaigns will be most helpful.

Without presuming to advise others how to proceed with their own problems of organization, it may not be amiss to record some of the methods that the Schenectady Charter League has found helpful.

It is essential to preserve a disinterested organization. Complete reliance is placed on unpaid volunteer workers. Workers are found in any and all possible ways—by election, by appointment, and by spontaneous appearance. Every office in the league is filled on such an informal basis that responsibilities can be shifted to new shoulders without embarrassment. Thus, each volunteer does as much as he can and will, and finds his place by trial. Difficulties generally ensue in any volunteer organization if a large number of officers are elected without full knowledge of the time, the enthusiasm, the ability, and the good humor they can give to their particular duties.

Better progress is made by planning the simple fundamentals far ahead and working steadily toward these over many months or even years than by efforts to make great changes rapidly. In every meeting the basic points of harmony should be emphasized, wide latitude of discussion allowed, and an

important vote should never be pressed until substantial agreement is in sight.

The longer one works in the field of civic improvements, the more one believes that foresight and a sense of humor are the basic necessities of a charter league movement. Some one

has said that "to govern is to foresee." A companion maxim for volunteer organizations may well be that their survival depends on the pleasure of one sort or another obtained by members from their participation in the work, or "to endure is to enjoy."

FISCAL RELATIONS

(Continued from Page 229)

annual federal payment in lieu of taxes⁹ amounting to not less than \$4,000,000 over and above the payments for intergovernmental contractual services. Including a net figure for the latter, estimated, as mentioned above, at \$1,800,000 for the current fiscal year, the federal share would approximate \$6,000,000 annually—one million more than the amount of the current contribution.

However, before the fiscal issue can be settled, the very nature of the intergovernmental relationship existing in the capital city must be clarified. Basic political theories are involved. If the District of Columbia is a state-and-local governmental entity, only secondarily the seat of the national government, continued efforts should be expended (in spite of the inherent difficulties involved) to make its burden no greater than the burden would be if it were not the capital city, and a diversified state-and-local tax system should be adopted. If, on the other hand, the District of Columbia is primarily the seat of the national government, then some specific recognition should be given the extensive federal holdings of real property in the district. Concepts regarding the nature of the District of Columbia are

many and varied. Until these are cleared up, the fiscal issue cannot be settled by researchers and investigators, no matter how expert. The existence of this first principle and the failure on the part of Congress and the district citizenry to recognize it foredooms any scientific investigation by experts in state and local government and public finance.

SOLUTION MUST BE FOUND

Although the House of Representatives, on the recommendation of the subcommittee on appropriations for the district, has approved for the fiscal year 1938 a continuation of the \$5,000,000 lump sum contribution by the federal government and has thrown the fiscal relations committee report into the limbo of temporary oblivion, the writer hastens to point out that the report is a potential source of an extraordinary amount of information for use in future years. Meanwhile, the fiscal relations issue in the capital city remains a vital one, pressing for prompt action. Not only is the problem unsolved, but it apparently is no nearer solution than it was a year ago when the fiscal relations investigation was authorized, despite the inestimable value of much of the research conducted. This is regrettable. Yet little progress will be made toward ascertaining the appropriate allocation of local government expenses in the District of Columbia until the political theories underlying the status of the district—and hence any scientific investigation of the fiscal relations problem—are crystallized and generally accepted.

⁹Perhaps our future experience elsewhere with federal payments in lieu of local taxation, a federal reimbursing device now less than a year old, may offer a solution to the district's century-old problem of federal-municipal fiscal relations. See Leo Day Woodworth, "Federal Payments in Lieu," *Bulletin of the National Tax Association*, January 1937, pp. 115-120.

Public Assistance in London

Socialist party reorganizes relief administration along more generous lines.

PAUL TUTT STAFFORD

Princeton University

THE development of an adequate program of social services has been the most important governmental enterprise in Great Britain since the world war. Confronted with the problem of providing individual security within an economic system on the verge of collapse, parliament during the past fifteen years has issued a long series of edicts by which old duties have been expanded, new ones assumed, and an elaborate network of national and local services placed in operation. Under the stress of emergency and with few guiding precedents, the action taken has often been hasty, ill-advised, and wasteful. Mistakes, some very costly ones, have been made, and at times the widespread confusion has given rise to a general feeling of hopelessness and despair. But with characteristic determination the process of renovation and construction has nevertheless gone forward. Today, although far short of the goal which has been set, England is unquestionably in the vanguard of those nations who with some degree of success are developing their governmental services to meet the modern demand for an enlarged sphere of public action.

One of the principal objectives toward which the energies of the country have been directed in this herculean task is the reorganization of the poor law system. It is this aspect of the social wel-

fare problem which, with the possible exception of public housing, has attracted the most attention from students of municipal government on this side of the Atlantic. There is much that can be learned from a knowledge of English experience in this particular field that will guide us in meeting our own pressing task of devising better systems of municipal poor relief.

My purpose here is to examine certain developments which have taken place in the administration of public assistance—as poor law relief is now termed—in London County since the passage of the local government act of 1929. London is selected not only because of the size of its local relief problem, but also because changes in administrative organization and procedure of far-reaching significance have been instituted there.

In 1929 control over the dispensing of poor relief throughout the administrative county of London was for the first time in history placed in the hands of the London county council. Prior to that time, although some effort had been made through the establishment of the metropolitan asylums board and the metropolitan common poor fund to spread poor relief costs more evenly over the metropolitan region, the real control of relief lay in the hands of the independent poor law guardians scat-

tered throughout the area. By abolishing the poor law guardians and transferring their functions to the county council the local government act effected in one stroke the destruction of a highly decentralized system of administration and authorized the creation of a highly centralized one to take its place.

But the establishment of a central control system in London has not been accomplished so speedily. In point of fact central control has been reached gradually through a process of transition. It is important to note that parliament in 1929 *authorized* the creation of a new county-wide plan of administration: the construction and development of the plan, subject to the approval of the ministry of health, was left for the London authorities themselves to elaborate. In the transition from a decentralized to a centralized system of administration two distinct stages are now apparent: first, the period from 1930 to 1934 when the county council under the domination of the Municipal Reform party placed in operation a scheme in which the council's authority to direct the administration of relief activities was delegated to and diffused throughout an elaborate network of committees; and, second, the period from 1934 to 1937 when the Socialist party holding the reins of power succeeded in transferring this authority back to the county council.

The administrative scheme of the Municipal Reform group constituted an ingenious device for the maintenance of central control over general relief policy on the one hand, and decentralized control over the administration of relief on the other. Under the provisions of the scheme authority to determine all matters involving considerations of policy and to provide relief funds was vested in the county council, while the direct management of the relief activities was entrusted to a large group of

committees. At the top of the hierarchy of committees was placed the central public assistance committee consisting of forty-eight members, of whom thirty-two were members of the county council and sixteen were non-council members coöpted by the council for this particular service. The chief powers exercised by this committee were the preparation of the public assistance budget, the determination of the nature of relief, the management of all poor law institutions, the provisions for domiciliary medical relief, and the maintenance of working arrangements with other central committees of the county council engaged in related social services.

MANY LOCAL COMMITTEES

Placed under the nominal supervision of the central committee were two layers of local committees. The first layer consisted of ten area committees, one for each of the ten areas into which the county was divided. These committees ranged in size from thirty-two to forty-eight members, and were composed partly of ex-officio members of the central committee but largely of persons coöpted by the county council. The second layer of committees consisted of seventy-four district committees, one for each of the districts into which the areas were sub-divided.¹ The members of the district committees in each area were selected annually by the area committee partly from among its own members and partly from a panel of names approved by the county council for coöpted service.

The effect of the practice of coöpting persons for committee service from outside the membership of the county council was obviously to weaken, if not to prevent completely, effective control on the

¹The number of district committees was steadily increased. It stood at ninety-nine in 1934 when the Socialists gained control of the county council.

part of the council over the work of these committees. The council had a majority membership on the central committee, but there its direct control ceased. Of the total number of 380 members of the area committees in April 1930, when the scheme went into operation, only thirty-two were members of the central committee. Likewise, in the district committees an overwhelming majority of the members were co-opted from non-official sources.

The real significance of the Municipal Reformers' plan lay in the fact that to the local committees was delegated almost unrestricted authority over all relief determinations. Except for the promulgation of general rules contained in parliamentary enactments and ministry of health regulations, the county council and its central public assistance committee gave to the local committees the widest measure of discretion in the all-important work of deciding who should receive relief, the amount of relief to be granted, and the form it should take, that is, institutional or domiciliary relief. Under the plan the permanent staff of relieving officers furnished the facts to the committees, but the committees after conducting a personal interview with each applicant made the final decision. As events later showed, the great bulk of this work was carried on by the district committees the members of which were for the most part farthest removed from the direct influence of the county council.

It appears that the theory underlying the operation of public assistance from 1930 to 1934 was that the function of relief determination was essentially a non-administrative task to be exercised by the elected representatives themselves rather than by the civil service staff of county hall. It was, however, manifestly impossible for the county council through its central committee to check the periodic granting of domiciliary re-

lief to one hundred thousand persons, and to direct effectively the management of more than thirty institutional relief establishments. This work of necessity had to be delegated to a large number of subsidiary committees over whose day-by-day actions the council was able to maintain only the most perfunctory kind of review.

In the campaign of 1934 the Socialists vigorously attacked the relief record of the Municipal Reform administration. The chief criticism was directed to the application of the means test, which the Socialists contended was breaking up many homes, and to the relief allowances, which were said to be quite niggardly and insufficient for the maintenance of a decent standard of living. Victorious in the elections, the Socialists proceeded to carry out their avowed purpose of liberalizing the standards of relief.

EXTENSION OF RELIEF

In July 1934 the central public assistance committee sounded the keynote of the new relief policy for London. "Under the previous administration," said the committee, "many persons were refused relief who, in our opinion, should not have been excluded. . . . Further, many persons on relief were not, in our opinion, receiving sufficient assistance to meet their reasonable human requirements."²

It was soon apparent that the existing scheme for administering relief would not be an entirely satisfactory vehicle for the practical application of the Socialist party's ideas. The Socialists wanted of course to make certain that in the more well-to-do areas of the county, such as Westminster and Chelsea, where conservative tendencies were apt to predominate, the standards of relief would be as generous as in those re-

²*Annual Report on Public Assistance, London County Council, 1934, p. 28.*

gions, like Poplar and Stepney for example, where Socialist sentiment prevailed. The practice of delegating authority over relief grants to a large number of local committees, a majority of whose members were coöpted from various lay groups in the community, gives too little assurance that a more generous form of public assistance could be consistently maintained in all parts of the county. A tighter control by the county council itself would, however, enhance the prospects for success. The second stage in London's experiment with centralized relief administration was accordingly brought about as a direct result of purely political considerations.

The principal changes effected by the Socialists in the plan of administration were three in number. First, and unquestionably the most important, was the transfer of the function of determining relief allowances from the local committees to the county's civil service staff, a special class of officials known as adjudicating officers being created for the exercise of this function alone.³ In order to preserve the traditional poor relief principle that any person affected by the poor laws shall have access to his elected representatives or to a committee appointed by and responsible to such representatives, the revised scheme provided certain restrictions upon the power of the adjudicating officers. To any applicant dissatisfied with the adjudicating officer's decision was reserved the right of appeal to the area committee. It was further provided that in

certain kinds of special cases the decision would rest with either the area committee or the district committee. Cases involving the question of instituting legal proceedings in respect of offenses under the poor laws, for example, were to be referred automatically by the adjudicating officer to the area committee concerned. The district committees were authorized to render decisions in all cases where the transfer of married men to residential training centres was conditional to the grant of domiciliary relief to their households, and in any case which in the opinion of the adjudicating officer required district committee consideration. In addition, the new regulations reserved the right to the district committees to call any case before it for special consideration.

In actual practice, despite the provisions for committee action, this change in administrative procedure has resulted in the assumption by the administrative staff of the great bulk of the work involved in determining relief allowances. The latest annual report of the county council shows that during the period July 1, 1935, to September 28, 1935, the weekly average of cases handled by the adjudicating officers was 9,982. Of these, 119 came within the special classes established by the council for committee consideration, 158 were referred by the adjudicating officers on their own initiative, and only nine were appeals from the decisions of the adjudicating officers.⁴ In view of the traditional, nation-wide policy of committee participation in local poor relief this constitutes a striking innovation in British poor law administration.

UNIFORM RELIEF REGULATIONS

The second principal change in the plan of administration was a necessary

³The council also delegated to a special branch of the permanent staff, designated as assessment officers, the function of assessing the amounts collectible from persons liable to contribute to the support of any relief recipient. Previously, every case of assessment had been referred to assessment subcommittees of the area committees for consideration. Under the new procedure only special cases are submitted by the assessment officers to these committees.

⁴There were also 1,520 cases involving committee review of institutional chargeability. See *Annual Report on Public Assistance*, London County Council, 1935, p. 8.

complement of the first. Whereas the local committees in carrying out the function of determining relief allowances had been guided only by general instructions from the central committee regarding the principles of relief, the county council now decided that the administrative officers to whom this work had been largely transferred would henceforth be governed by uniform scales of relief prescribed by the council itself.

These uniform scales were framed as quickly as possible by the reconstituted central committee in 1934, adopted by the council, and are now the rules governing the day-by-day work of the adjudicating officers throughout the whole of London County. In these scales the officers find the exact figures which they must consider as the amounts which applicants will need for maintenance each week. Thus, for two adults eighteen shillings are allowed; two adults and one child, twenty-two shillings; two adults and two children, twenty-five shillings; one adult and one child, sixteen shillings; and so on. Likewise there are now uniform rules governing the treatment of the earnings or income of every member of a household receiving relief.

The new relief scales do not, however, preclude the exercise of administrative discretion. The Socialists themselves admit that poor relief can never be transformed into an automatic application of uniform regulations. "The grant of relief," the county council said in its last report, "must remain essentially discretionary in character, and . . . any guide or standard used for administrative convenience cannot be interpreted to exclude the use of discretion."⁵ Special provisions have been made for the use of discretion in such matters as rent, winter fuel, and medical treatment; and in any relief case the adjudicating officer may grant additional relief to meet ex-

ceptional circumstances. Nevertheless, it is quite evident that since 1934 the county council has not only confined discretionary power largely to the administrative sphere, but has also placed drastic limitations upon its exercise by the administrative officials themselves. How successful this systematic effort to minimize the use of discretion in relief-giving will be remains to be seen. It is interesting to note that a similar attempt is being made on a national scale by the unemployment assistance board in the administration of unemployment relief. Both experiments are now being closely watched.

COMMITTEES REDUCED IN SIZE AND NUMBER

The third principal change in 1934 involved a complete reorganization of the committee system with a view towards simplification, reduction in number and size, and, above all, an increase in the direct representation of the county council. Except for the transfer of control over institutional management to the central public assistance committee, the revisions here related chiefly to the composition and structure of the local committees. In the first place, the ten area committees were reconstituted with a smaller membership. In each of the five largest areas the area committee membership was fixed at fifteen, while in each of the other five areas the area committee was reduced to eleven members. Secondly, the number and size of the district committees were greatly reduced. The total number of these committees is now twenty-five, three in each of the largest areas and two in each of the smaller areas. Each district committee now consists of nine members, exclusive of the chairman and vice-chairman of the area committee who are ex-officio members of every area sub-committee, drawn from the membership of the area committees themselves and

⁵*Ibid.*, p. 9.

from a panel of names formed by the central committee of the council. The previous rule of the council that no person is eligible to membership on a district committee who represents that district on a publicly elected body, or is an agent of any political association operating in that district has been continued.

Recent figures indicate the full extent of the revisions in the committee system. When the Socialists took control of the county council in March 1934, there were ten area committees and ninety-nine district committees with a total membership close to thirteen hundred. When the council made its annual report for the period ending March 31, 1936, the total membership of the ten area committees and the twenty-five district committees stood at three hundred and fifty-five. The practice of co-option has of course been continued, but the direct control of the council has been substantially increased.

OBJECTIVES ACHIEVED

Has the reorganization of 1934, the principal features of which are outlined above, enabled its sponsors to achieve their underlying objective—the liberalization of public assistance? Relief statistics for the past three years are not complete, but there is ample evidence in the figures available that the answer is definitely in the affirmative. The following figures indicate the trend in the costs for domiciliary relief over a six-year period:

	Total Number of Persons	Total Cost	Average Weekly Cost per Head
1930-31	90,302	£1,555,717	6s. 7 7/10d.
1931-32	90,082	£1,474,111	6s. 3 1/2d.
1932-33	104,192	£1,630,673	6s. Od.
1933-34	97,036	£1,605,272	6s. 3d.
1934-35	105,124	£1,961,103	7s. 2d.
1935-36	101,745	£2,040,378	7s. 9d.

It is especially significant that the sharp rise in average costs per head oc-

curred as soon as the Socialists took control in 1934. The average cost for 1935-1936 is almost 25 per cent above the average cost for 1933-1934. In view of the fact that the improvement in economic conditions which began in 1933-1934 continued during 1934-1936, the figures for the total number of persons on relief during the first two years of the Socialist administration are equally significant.

At the present time, it seems safe to predict that the more centralized system of control over the administration of relief inaugurated in 1934 will become a permanent feature of public assistance in London. The victory of the Socialists at the elections in March 1937 has insured its continuance for at least three more years. It is reasonable to expect its continuance despite any future change in party administration. If and when the Conservatives return to power they doubtless will find the same methods instituted by their predecessors very convenient and highly effective mediums for the practical application of their own ideas about aiding the impoverished. Complete control over administration on the part of the elective body of representatives, in other words, will be the most effective method in the future for executing those changes in general relief policy which important shifts from time to time in public sentiment are bound to require.

There is furthermore an important practical consideration. Under modern conditions public relief in London has become a huge problem of unprecedented scope. There is every indication that it will continue to be for many years, if not permanently, one of the greatest concerns of local government. The maintenance of a control mechanism similar to that now in operation is unquestionably essential if the London county council is to remain responsible for the general direction and management of this enormous undertaking.

A Successful Experiment in Public Assistance

Local welfare in Virginia given impetus by state aid and regulation.

HAROLD I. BAUMES

League of Virginia Municipalities

THE 1936 session of the Virginia general assembly has been termed the most constructive public welfare session since 1922 when a modernized system of poor relief and general welfare work was instituted. Although practically the entire public welfare program was affected by the legislation enacted in 1936, one of the most interesting experiments was made possible by the state public assistance act designed to give public relief to destitute persons. Nine months after the act became effective, twenty-three of the twenty-four cities and ninety-two of the one hundred counties have established recognized welfare departments. Before the act went into effect, only thirty cities and counties had such departments. Not only is this development in itself rather phenomenal, but it is all the more significant when it is realized that all this was made possible by financial assistance and guidance from the state without anything even approaching state domination or control of public assistance in the localities. The cities and counties, under the public assistance act, are still responsible for the administration of relief and home rule in this regard has not been destroyed.

This is an age of increasing centralization of administration. Such development in local, state, and federal government is apparent even to the most

casual observer. Many people view this increasing centralization with considerable misgiving. They feel that the retention of home rule principles and local control over certain essential governmental functions is necessary to the continued successful operation of our democratic form of government. The success of the Virginia system of public assistance will be heartening to them.

The act merely provides that for the biennium beginning July 1, 1936, \$950,000 the first year and an unconditional appropriation of \$580,000 the second year, or the full \$950,000 if a deficit is not thus incurred, shall be made available "for the purpose of assisting counties and cities to provide assistance to and for destitute persons in this state in need of public relief." These moneys are allocated to the counties and cities on the basis of population and are made available only after a local appropriation is made, equal to sixty cents for every dollar available from the state. Part or all of the allocation to the individual county or city can be secured on a matching basis. Of the total state and local funds, therefore, 62½ per cent comes from the state and 37½ per cent from the local governments. Ten per cent of state and local matching funds may be applied to local welfare administrative costs. Twenty-five thousand dollars was appropriated for the

necessary expenses of the state commissioner of public welfare in carrying out the provisions of the act. The act provides that funds shall be expended, subject to such requirements as the governor may impose to have such funds used for the purpose for which they were appropriated, "in such manner as the boards of supervisors, councils, or other governing bodies of the respective counties and cities shall provide." Moreover, state and local funds under this act may be used to assist dependent children to match funds appropriated by the United States government.

The regulations promulgated by the governor were comparatively simple and may be summarized briefly as follows:

(1) The funds shall be administered by public welfare agencies.

(2) An office shall be provided and maintained by each county or municipality or combination thereof as one welfare or relief unit for the administration of relief and other welfare activities.

(3) Funds shall be administered by county or municipal welfare departments or workers.

(4) Welfare superintendents and relief directors shall be approved by the department of public welfare and elected by the boards of supervisors of the counties or the proper authorities of the municipalities.

(5) Relief applications shall be carefully investigated.

(6) Funds cannot be used for relief commissaries, nor can costs of work projects be borne by funds under the act.

(7) Relief benefits shall be authorized by the local relief administration.

(8) Local officials shall keep adequate records and a system of records and control approved by the state auditor of public accounts shall be maintained.

(9) Counties and cities shall apply to the commissioner of public welfare for state funds under the act, providing the necessary information and agreement.

(10) The commissioner of public welfare shall use the funds in a manner designed to develop a year-round program,

making allowances for seasonal or emergency needs.

(11) Bond shall be required of local welfare or relief directors.

The simple regulations summarized briefly above establish certain minimum standards of efficiency, but do not destroy local control. They make possible the carrying out of the intention of the act, which is not only to supplement local relief funds, but to assist in the organization and maintenance of general welfare service. In the words of Arthur W. James, Virginia's commissioner of public welfare, "this program is the very opposite of superimposed state or federal government; it is as local in character as can be conceived where state funds are involved." It is significant that no part of either the state or local funds can be expended except upon order of the legislative bodies of the local political subdivisions. Welfare superintendents and the necessary personnel are selected by local officials after securing state approval to assure a reasonable degree of competency, by reason of training, experience, or both. Not only are the salaries and expenses of the local officers matters of local control, but the local welfare department must determine to whom the public assistance funds will go and the amount allowed in each case. Under this system, the most important function of the state department of public welfare is to assist the localities financially and advise local officials, without ordering them, regarding recommended practices in public welfare administration, the value of which they may not yet have come to realize. Finally, the work of the state department is highly educational, and after all, this is the only sound means of bringing about permanent reforms and improvements in governmental administration. No county or city has to come within the act unless it wishes to, and

once it does, it can withdraw at any time.

Approximately the same development in local public welfare administration was possible under previous legislation, but with some state financial assistance and constructive technical guidance by the state department of public welfare, the counties and cities were able to accomplish more in six months than they had accomplished under the old system since the adoption of the general welfare act in 1922. The fact that the recognized county and city welfare departments grew from thirty to one hundred and fifteen in nine months is evidence enough of the success of the plan as far as the development of new departments is concerned. The almost entire absence of adverse criticism from local officials or relief recipients likewise indicates a large measure of success in the administration of the act.

COMPETENT PERSONNEL CHOSEN

The personnel chosen locally under state approval has been of a high calibre. Of seventy-eight county superintendents and twelve city social service or relief supervisors, seven have a master's degree and thirty-three a bachelor's degree. Sixty-six of the ninety attended college. The remainder are high school graduates with the exception of one, who in addition to two years of high school work graduated in nursing and has had special training in public health work. Thirty-five of the ninety workers attended an accredited school of social work; of these thirty-five, thirty had enjoyed previous experience in social work. All others have had some experience in general welfare or relief work, either as case workers or administrators. So far, due in large measure, perhaps, to excellent preliminary educational and field work, it has been necessary for the state department of public welfare to reject local suggestions for the appointment of personnel

in only four instances. Obviously under this new program, technical qualifications have not been sacrificed for local political expediency.

There were 25,979 cases on record in December, of which 11,219 were service cases and 14,760 relief cases. Of the total number, 5,708 were cases involving persons sixty-five years of age or over. Forty-four per cent of the cases were employable. The amount expended per month per relief case has not been large, although the trend during recent months has been upward. Statistics of the division show that the average amount granted per month per relief case from July 1936 through December 1936 was \$6.98, \$6.80, \$7.17, \$7.24, \$7.70, and \$8.37 respectively. Substantial increases in many instances undoubtedly would be desirable. It is estimated that possibly 90 per cent of the counties and cities participating in the program apply for the full allotment available to them. This would indicate, therefore, that if the average assistance per case is to be enlarged materially, additional local appropriations must be made. Extremes in the amount allowed per case vary at present from a minimum of about \$3.00 in the counties to a maximum of something under \$15.00 in the cities.

STATE-WIDE WELFARE ORGANIZATION

The public assistance program has been made a part of the general welfare program of Virginia, giving the commonwealth for the first time a state-wide organization for the administration of welfare work in the cities and counties under the general direction of the state department of public welfare. Thus, the financial assistance of the state given without destroying local autonomy has made it possible for practically all the cities and counties to build up recognized welfare departments and to expand the general wel-

fare program of the state in a manner which almost certainly would have been impossible otherwise. Local administrators of the public assistance funds also serve as family and child welfare workers, probation officers, and parole officers for state institutions. Moreover, machinery has been well established by which old-age assistance and other activities under the social security act can be undertaken in Virginia without the building of a new organization or the duplication of effort. This is possible

merely by gradual expansion of the present program, with the continued recognition of local autonomy and with the assistance of state funds and the expert guidance and technical knowledge of the state department of public welfare. Virginia's successful experiment refutes to a large degree the arguments of those who feel that a state-wide program of public welfare work is impossible of attainment without unconditional centralization and the practical destruction of home rule.

THE CHALLENGE OF THE TRAILER

(Continued from Page 233)

centrated on the possibilities for good in the trailer movement. These should not blind us to the possibilities for evil.

The trailer appears to be definitely a menace to traffic conditions. Unregulated trailer camps may prove detrimental to the health and morals of a community. Fire hazards may be created. It is imperative that state and local officials take cognizance of these problems immediately and devise effective methods of regulation.

TAXATION QUESTIONS

One problem that arises in connection with the trailer is as to how and where the trailer should be taxed. Should it be considered a house and taxed as real estate, or should it be taxed as a motor vehicle or as other tangible personal property? Commissioner Henry Long of Massachusetts ruled in favor of the latter on September 23, 1936.

On the other hand, Justice of the Peace Arthur R. Green of Orchard Lake, Michigan, held in a decision of November 12, 1936, that a trailer is a dwelling. "A house trailer of the type occupied by the defendant, and having a great many of the appointments of a modern home, would come under the scope of a human dwelling, whether it stands upon blocks or the wheels attached thereto or whether it be coupled to or detached from an automobile."

Tangible personalty is ordinarily taxed at the residence of the owner, but what is the residence of a trailerite who may select a different location for every month of the year? Real estate is taxed at its situs but what is the situs of a domicile that is shifted from Maine in the summer to California in the winter with dozens of intermediate stops of varying lengths?

The trailer movement if it continues to grow will undoubtedly prove upsetting to local standards of educational and relief administration, but there does not seem to be any very obvious reason why in the long run it should prove detrimental to national standards. For example, if more relief families live in the south during the winter and in the north during the summer, costs of providing fuel, clothing, ice, and medical care should be reduced.

Before the trailer movement becomes very widespread it is probable that federal legislation will have to be enacted to prevent children of school age being moved about (without good reason) during the school term. Otherwise our state school attendance laws will become futile in many cases.

Undoubtedly also there will have to be some educational assistance for those states receiving the great influx of winter residents.

The heavy wheels of the trailer may do much to obliterate the fast disappearing state lines.



RECENT NEWS REVIEWED

NOTES AND EVENTS

Edited by H. M. Olmsted

Atlanta's Financial Relief Plans Make Progress.—Legislation embodying the measures to relieve Atlanta's financial situation discussed in the March REVIEW received the governor's signature late that month. As finally adopted, the entire program recommended in the report of the Consultant Service of the National Municipal League has gone through except that the statutory limit on city water rates is not repealed outright but is suspended for a five-year period.

Essential portions of the program—the power to refund up to \$2,000,000 of bonds past due (now represented by certificates) and coming due this year, the power to fund the existing deficit carried in the form of scrip (about \$1,600,000), and the power to issue temporary tax anticipation notes to be paid before the end of the year—are embodied in a constitutional amendment which is to be voted on by the people of Georgia on June 8th. But the other measures in the program required only legislative action and are now in effect, and the mayor and council are busy working out detailed plans for the city's rehabilitation in the confident hope that the constitutional amendment will also be passed.

Senator Paul Lindsay of DeKalb County, where a part of the city of Atlanta is located, ceased to oppose the program after assurances by the acting mayor that the unanimous sentiment of the mayor and council would be "active and determined opposition" to any attempt "to divorce from the city of Atlanta that part of our city lying in DeKalb Coun-

ty." This only further emphasizes the fact that the underlying cause of Atlanta's difficulties is the problem—as yet unsolved—of governmental integration in the Atlanta metropolitan area. The Atlanta Chamber of Commerce, with able newspaper support, is taking the lead in bringing this fact home to the citizens of the area and urging constructive action to prevent a recurrence of the emergency just met. The city authorities have also evinced a willingness to cooperate in a movement for a constructive solution, based on a complete study of the facts and a practical plan evolved in consultation with all groups of citizens.

L. R. CHUBB

Memphis Reorganizes Its Commission Government.—The city of Memphis, Tennessee, began May 1st to operate under an amended charter providing for the reorganization of the government to promote greater efficiency, according to the Memphis municipal reference library. The amendment involves the first major changes in allocation of departmental functions since the commission form of government was adopted in 1909.

The office of city clerk is succeeded by that of the city comptroller, elected by the board of commissioners upon nomination of the mayor, for a two-year term. He will have two deputy comptrollers, one assuming the usual functions of a city clerk and the other designated as chief accountant. The comptroller will supervise and control the city's general accounts, keep records showing its financial operations and condition, its property, assets, claims and liabilities, and all expenditures authorized. He is custodian of the city's various fiscal papers, bonds, and documents. It is his duty to coordinate the annual budget

and to see that it is not exceeded as to any department unless authorized by resolution of the board of commissioners.

During the administration of the present mayor, Watkins Overton, the city's growth has presented new problems calling for the creation of a number of citizen commissions and boards and new city government bureaus. The adding of various bureaus and boards to the department of mayor and public affairs and health made it cumbersome; the name has been changed to department of administration and health, and it includes the mayor's office, comptroller's office, auditor, law, purchasing agent, health, personnel and efficiency, city planning, and city beautiful commission.

The department of accounts, finances, and revenue has become the department of finances and institutions. Besides the city treasury, delinquent tax collector, tax assessor, collector of licenses and privileges, and board of equalization, this department now includes several agencies formerly under the mayor: the municipal airport, auditorium and market commission, juvenile court, Oakville Sanatorium, and John Gaston Hospital.

The department of fire and police is now the department of public safety. Besides fire, police, motor vehicle inspection, and the dog pound, it includes, as functions formerly allotted elsewhere, the city court and its clerk, inspector of weights and measures, mendicancy control, fire and police pensions, moving picture censor, and the board of examiners of motion picture operators.

The department of streets, bridges, and sewers has been changed to the department of public works. The department of public utilities, grounds, and buildings is now the department of public service, including the building division, utilities and street lights, welfare, markets and research, and the art academy.

Council-Manager Plan Developments.—

The bill to enable all cities and villages in Illinois to adopt the council-manager plan by referendum, a right now restricted to villages of less than five thousand population, was defeated in the Illinois house of representatives by a narrow vote—seventy-two to sixty-seven—on April 13th, after it emerged from the house municipalities committee with an unfavorable report of thirteen to twelve. The

committee hearing of April 7th was editorially described by the *Chicago Daily News* thus: "Citizen delegates from Chicago were howled down, delegates from downstate were refused a chance to speak. The self-determining intelligence of the urban voters in Illinois was flouted and insulted." The bill was primarily opposed by the Chicago machine. Only one Chicago Democrat and seven Republicans voted for it, while forty other Chicago representatives united to insure the defeat of this state-wide permissive measure.

Orange, Virginia, after operating under the manager plan by ordinance for a year and a half, adopted a manager plan charter on April 6th.

Binghamton, New York, which has had a city manager charter since 1932 (plan C under optional laws of New York State), voted April 20th to abandon its manager government and revert to the mayor and council form (plan F under optional laws). The vote was 7,591 to 5,175.

Cape May, New Jersey, also abandoned its manager charter by popular vote on April 6th.

Americus, Georgia, Canon City, Colorado, and Rutherford, New Jersey, all defeated manager plan charters which were submitted for adoption to the voters during the month of April.

Zoning Against the Next Flood.—Although proper flood control is not a local matter alone, but one calling for the coordinated activities of federal, state, and local governments, affected communities, besides using physical methods, formulating disaster plans, etc., can employ zoning to discourage the unwise use of the lowest, most flood-vulnerable grounds. A proposed amendment to the zoning ordinance of Louisville, Kentucky, would create a new type of district for lowlands within which no new residential structures could be erected and no existing residential building could be structurally altered. Appropriation of a special fund has also been sought with which to acquire a part of this area for park developments, as New Albany, Indiana, on the opposite side of the Ohio River, is doing.

In Cincinnati a proposed zoning amendment submitted to the city council would prohibit the building of any type of dwelling in industrial "B" and "C" zone districts, which include more than nine square miles of the city

lying almost entirely in the area that was flooded.

*

Residence as Civil Service Qualification.—

Two recent indications of the gradual breakdown of residence requirement as a qualification for state and local government jobs are reported in the *News Letter* of the Civil Service Assembly of the United States and Canada. The New York State civil service commission, announcing an examination for the position of associate civil service examiner, specifically waives the residence requirement, as has been done for various other positions recently. The Los Angeles County civil service commission and bureau of efficiency held an examination in April for a junior civil service examiner, and likewise did not require residence as a qualification. The Los Angeles city school district in seeking applicants for positions in the personnel departments has done likewise, and so also did Baltimore, Maryland, as to the position of manager of its bureau of assessments.

A change of attitude generally toward residence as a prerequisite to appointment to municipal jobs is noted from cities queried for *The Municipal Year Book 1937* by the International City Managers' Association. Forty-eight cities listed 138 non-residential appointments in 1936.

*

Connecticut Adopts Legislative Council.—

The Connecticut house of representatives on April 13th by unanimous voice vote approved a bill creating a legislative council for continuous study, research, and planning with respect to problems of legislation. This is the second item in the state reorganization plan, noted in these columns in February, to pass the house, the other being the civil service bill. Action by the senate is awaited.

*

Vermont Abolishes "One-Family" Towns.

—In Vermont each town (roughly corresponding to townships in the west), regardless of population, has a representative in the house of representatives, which has meant that the town of Glastenbury, with seven inhabitants, and Somerset, with twenty, have each counted as much in that branch of the legislature as Burlington, for example, with 24,779 inhabitants. The legislature that has just adjourned abolished the town governments of

Glastenbury and Somerset—known as "one-family" towns because of their minute size and control by a single family in each—and they will be administered as unorganized communities by the state. Both towns consist chiefly of forest lands.

*

Consolidation of Prisons and Parole Recommended in Illinois.—

The special prison commission appointed last year by Governor Henry Horner of Illinois rendered a report to the governor recently recommending the consolidation of all penal functions including imprisonment, probation, parole, and after-care under an administrative board of five full time members. Appointments would be by the governor for overlapping terms of fifteen years; special fitness for the work is stressed, without regard to politics, religion, or other affiliations. Salaries should be sufficient to attract competent persons, and provisions for retirement and pensions would be made. Departments of investigation, research, statistics, and case studies were included in the recommendations. Under this plan the present seven-member board of pardons and paroles would be abolished and its duties merged with the new board.

*

Social Scientists for Federal Civil Service.—

College graduates with bachelors' degrees in the social sciences—economics, political science, sociology, and related subjects—were recently invited by the United States Civil Service Commission to take examinations for social science analyst positions, of which there are seven ranks. For the lowest of these—junior social science analyst—college training, without experience, is sufficient qualification for eligibility. This procedure is in line with the recommendations of the Commission of Inquiry into Public Service Personnel, which made this statement in its report of two years ago: "We do not believe that the public service should first be minutely classified into pigeonholes, for which the civil service commission tries to find men who exactly fit each compartment, but rather that the service should be divided into ladders, for which young men are normally selected to start on the bottom rung."

*

Economics Conference of Stevens Institute.—The seventh annual economics confer-

ence for engineers, held by Stevens Institute of Technology, Hoboken, New Jersey, will take place at Stevens Engineering Camp, Johnsonburg, New Jersey, from June 18th to 26th. The Society for the Promotion of Engineering Education is assisting in the enterprise. The general topic is "Labor, Wages and Prices and their Interrelations." Three of the eight evening lectures deal with governmental problems: financing social security, by J. F. Dewhurst, Twentieth Century Fund; the effect of government policies on engineering industries, by W. H. Rastall, formerly of the department of commerce; and the constitution and the courts, by Professor N. T. Dowling, University of Columbia Law School.

*

National Recreation Association Holds Annual Congress.—The twenty-second national recreation congress will meet in Atlantic City, May 17-21, 1937, at the Ambassador Hotel, bringing together approximately a thousand laymen and executives from all parts of the United States, including leaders engaged in varied types of recreational service. Representatives of public recreation systems and private agencies, of social agencies generally, and others will have an opportunity of group discussions of the recreation problems of youth, the enlistment and training of board members and volunteers, the building of strong programs for their respective groups, translating emergency service into permanent gains, interpretation of their work to the public, and the ever-present concerns of finance and administration, and other vital topics.

*

International Housing and Town Planning Congress.—The International Federation for Housing and Town Planning, London, and the International Housing Association, Frankfurt-am-Main, are arranging to hold a joint congress in Paris from July 5th to 13th, simultaneously with the International Union of Local Authorities and the International Institute of Administrative Sciences. A great exhibition, *Art et Technique dans la Vie Moderne*, will be held in the center of Paris this year, which will illustrate recent advances in architecture, city planning, transportation, sanitation, recreation, etc. In connection with the congress it is proposed to have various excursions in the neighborhood of Paris and two simultaneous study tours, commencing on

July 13th, to enable delegates to study the progress in housing and city planning in other parts of France. The congress subjects will be on national and regional planning, the financing of the small dwelling, and the question of vertical or horizontal development, or urban concentration versus decentralization.

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

North Carolina—Social Security Legislation.—The North Carolina legislature adjourned on March 23rd. On the whole its record was constructive. Its greatest single achievement was complete compliance with the federal social security program. Moreover, under the legislation enacted the beneficiaries may qualify to receive the maximum offerings of the federal Social Security Board.

Needy persons sixty-five years of age or over may receive monthly benefits up to \$30, of which one-fourth will be paid by the counties, one-fourth by the state, and one-half by the federal government. Dependent children living with near relatives may receive up to \$18 for the first child, \$12 for the second, and each successive child up to a maximum of \$65 a month for a single household—one-third to be paid by each unit of government. Needy blind persons will receive aid on the same basis as the needy aged but may not receive benefits from both funds.

To finance its portion of the program, the general assembly appropriated \$1,770,000 a year, including \$1,000,000 for the aged, \$500,000 for children, \$85,000 for the blind, and a contingent equalizing fund of \$185,000 to supplement the taxes of poorer counties. Counties will be required to match each one of those items dollar for dollar with the exception of the equalizing fund of \$185,000. With federal contributions added, the total amount available for security benefit payments in this state each year will approximate \$6,000,000.

On and after July 1, applicants for old-age assistance and children's aid may file their petitions with the several county boards of public welfare. The boards will review the applications and determine the amount of

benefit to which each applicant is entitled, on the basis of need.

After compiling their lists of eligible beneficiaries, the county boards of welfare will submit them to the state board of allotments and appeals, consisting of the chairman of the state board of charities and public welfare, the commissioner of welfare, and the director of public assistance created by the new act.

Equal authority in naming the county welfare boards is given the state and county. The state board of charities names one member, the county commissioners one, and the two select a third.

In speaking of the social security legislation Governor Hoey said: "Adoption of the whole social security program . . . the most forward and advanced step this generation shall take and the most humane enactment of any legislative body in all the history of the nation."

Public Schools.—The legislature made the largest appropriation in the history of the state for public schools—nearly \$50,000,000 for the biennium. This is to cover all current operating costs of the schools for the minimum eight-month term. In addition, the general assembly authorized a bond issue of \$1,500,000 to provide free textbooks in the elementary grades. Only those special charter districts established by legislative act will be able to vote extra taxes to raise their school standards from the basic eight-month term to a nine-month term. Counties as a whole may vote a supplement, however.

The state school commission was reorganized and is now to consist of fourteen members, one from each of the eleven congressional districts, the superintendent of public instruction, the state treasurer, and the lieutenant-governor. There will be an executive committee made up of the superintendent of public instruction, the state treasurer, the lieutenant-governor, and two other members of the commission. The major responsibility of the committee will be the financial administration of the schools.

Public Highways.—The state highway commission was reorganized, the new commission to consist of eleven members, a chairman, and one from each of the ten districts into which the state is to be divided. The duties of the chairman will continue to be about as at present, but each commissioner will have an

added duty. He must set aside one day each month for public hearings. On that day the county commissioners of any of the several counties in his district may lay before him the requests and protests of the citizens in that county. He will convey these to the full highway commission at its monthly meeting. Previously the highway commission itself has been receiving delegations of citizens directly.

The cost of automobile license tags was reduced from 35 cents per hundred pounds of automobile weight to 30 cents with a seven-dollar minimum.

Another important piece of road legislation is an act sponsored by the federal government which gives the state a law in conformity with the federal motor carrier act of 1935. In the federal act the state commerce commission was given power to regulate interstate transports and buses. The state law will be administered by the state utilities commission.

State Department of Justice.—A joint resolution authorized the governor to appoint a commission of five members to inquire into the feasibility of establishing a state department of justice. It also passed a resolution to submit to the electorate a constitutional amendment in 1938 modifying the present requirement that solicitors, that is, prosecuting attorneys, be popularly elected, a provision which stands in the way of a thoroughgoing department of justice. In the meantime, the governor is authorized to establish a state bureau of identification and criminal investigation.

*

Wisconsin—Merger Efforts Meet Partial Defeat.—Attempts in the current session of the Wisconsin legislature to forward the consolidation of the governmental structures of Milwaukee city and county have met with defeat. In November 1934, the voters of the city spoke overwhelmingly in favor of the idea of having the Milwaukee city councilmen serve also as the city members of the county board. A bill to effect this purpose was defeated in the Wisconsin legislature of 1935 by a small margin. Similar legislation was revived in the present session of the legislature. The proposal received the support of the county board and the city council, the

latter asking that councilmen be given the additional duties of county board members, since some doubt was raised whether county board members could constitutionally be given the functions of city councilmen. In spite of this support, both the senate and the assembly bills embodying this method of consolidation were recently defeated. The senate bill was defeated by a majority of one vote, but the final assembly vote was fifty-eight to thirty-one against adoption. As usual the Milwaukee suburban groups were active against the legislation, probably fearing the trend of consolidation, as the bills concerned did not affect them immediately. The issue apparently cut across party lines.

In spite of this defeat, the consolidation issue continues to attract attention. Proposals have been made in the legislature to combine the Milwaukee and the metropolitan sewerage commissions. City of Milwaukee officials are fighting this consolidation as the plan now stands. One source of opposition to the proposal as presented is the provision for increasing state control of the combined sewerage commission.

The *Milwaukee Journal* has proposed combined health service for the entire county.

In the meantime, park consolidation in Milwaukee County continues. The town of Lake transferred a small park to the county during the winter, and in April the residents of the village of Whitefish Bay will vote on the question of transferring two parks to the county park commission.

Proposal to Amend Constitutional Provisions on Counties.—In November 1934, the Wisconsin state supreme court invalidated the commission form of government for Wisconsin counties.¹ A proposal for a constitutional amendment was introduced in the assembly in February whereby the legislature would be authorized to permit any county to select the form of government it desired, after a county-wide referendum. This proposal would eliminate the constitutional provision requiring the legislature to establish a uniform system of county government.

LEE S. GREENE

Tennessee Valley Authority

California—Court Limits Admission to County Hospitals.—Boards of supervisors in California have followed three types of policy in governing county hospitals. Some counties maintain a well equipped institution and admit persons able to pay for care as well as indigents. Others make a great point of insisting that such institutions are charity institutions. A third group maintain such poorly equipped institutions that none but the destitute apply for medical aid. A test of the power of boards of supervisors to admit pay patients was had in a taxpayers' suit in Kern County, *O. P. Goodall et al. vs. Perry Brite et al.* (11 Cal. App. (2nd) 540). The court ruled that although the board of supervisors was empowered by law to make rules for admission to the hospital the state constitution prevented the county from giving medical care to those able to pay for care in private hospitals except in emergency cases. However, the court distinguished between "indigency" for admission to county hospitals and "indigency" for purposes of relief. Under the definition made it was determined that those not able to pay the full cost of private hospitalization might be admitted and charged according to ability to pay. The decision has clarified the problem to a great extent although legislation has been proposed to settle certain points not called into question in the case.

Counties Share in Social Security Costs.—Since the state relief administration was created in May 1934, the state and counties have divided responsibility for care of the poor. The counties continue to care for those regarded as unemployable by reason of health, age, or eligibility for orphan relief, etc., the state caring for employables not transferred to federal work relief projects. The state has continued to care for a large case load in certain parts of the state, particularly in Los Angeles County. For some time various groups have been working to return the administration of poor relief to the counties under a program that would provide a state subsidy for county administration.

The California Supervisors Association went on record at its annual meeting as supporting a plan that was reported favorably in the legislature. Under this plan counties will bear the cost up to an amount equalling the first five cents on each \$100 of its assessed

¹See *American Political Science Review*, Vol. XXX, No. 1, p. 101.

valuation, state and counties will share the next twenty-two cents on a fifty-fifty basis, all over twenty-seven cents per \$100 will be the obligation of the state. The state relief administration will be abolished and the county welfare organizations will take over the case load. The plan will eliminate duplication of agencies and will provide some state aid to those counties having the greatest relief expense.

WINSTON W. CROUCH

*

Montana—Results of Legislative Session.—

Considering the tremendous demands for increased expenditures, county taxpayers suffered but little from the hands of the recent legislature, according to the March 1937 issue of the *Montana Taxpayer*. While the lawmakers turned a cold shoulder on a bill which would have placed a mild over-all limit on county tax levies, and another which would have corrected many of the abuses in so-called emergency spending, they also defeated one increasing the poor fund levy to ten mills and another setting up an unlimited old-age assistance levy as well as attempts to increase salaries of sheriffs and other county officials and to increase the number of deputies. The efforts of cities to secure part of the auto license and gas tax money did not succeed. Changes were made in several bills affecting counties, materially decreasing the costs of operation.

County Budget Law Amended.—Material changes were made in the county budget law. Under the new act a little more time is given the taxpayers to look over the preliminary budgets before they are finally approved and adopted on the second Monday in August. The amount budgeted for operating expenditures in the various funds will be limited to an increase of not more than 10 per cent of the amount expended for each item for the fiscal year immediately preceding.

County Consolidation.—One of the acts passed sets up the machinery for consolidating two or more counties by consent of the people, in conformity with the constitutional amendment that was passed by the people in November 1936. If the people residing in a county desire the abandonment of that county a petition must be circulated and the signatures of 35 per cent of the voters secured.

The per cent is placed rather high because no withdrawals are permitted. Elections are then held in the county to be abandoned and the county or counties with which it is to be consolidated. Without the passage of this act county consolidation would have been impossible, as the constitutional amendment took the power away from the legislature. Voluntary consolidation is still quite improbable.

Four-year Terms.—Under a new act the people of Montana will get an opportunity in November 1938 to vote upon the question of increasing the terms of office of certain county officials to four years. County assessors, treasurers, clerks, sheriffs, surveyors, school superintendents, and public administrators are included in the proposal. For the purpose of increasing efficiency and decreasing tax costs there is the added proviso that the legislature shall be given the power to fix the qualifications of these officers. At present, only the qualifications of county school superintendents, attorneys, and surveyors are fixed by law. The qualifications required for other officials are now increased and four-year terms provided. As a result county government should be placed on a much higher plane in Montana. County attorneys and justices of the peace were not included in the amendment because of the fact that the constitutional provisions regarding these officers are included in a separate section.

Administrative Economies.—A new act reduces the necessary expenditures for deputies where offices are consolidated. Under the present act the fixed number and compensation of deputies makes little saving possible. The amended law provides that the county commissioners may determine the number and compensation of deputies necessary for the consolidated office.

Another act makes it possible for counties to refund at a lower rate of interest bonds issued prior to 1932 without an election. The old act made it necessary to hold an election in order to refund bonds issued since 1923.

Still another act will prevent duplication of mileage costs for sheriffs. No longer will it be possible for a sheriff to attend a dance fifty miles from the county seat and draw mileage for the purpose of preserving order, mileage for serving a paper en route, and mileage for each prisoner he may bring back to the county seat.

TAXATION AND FINANCE

Edited by Wade S. Smith

Financial Statistics of Ninety-four Cities for 1935.—The March REVIEW carried an article based upon the Bureau of the Census' report on the financial statistics of the large cities of the United States for 1934. As the comparable data for 1935 are now available, they are presented herewith.

Revenue receipts for the ninety-four cities totaled \$2,921,336,000, or a per capita of \$77.64. Of the total, 60.2 per cent (\$46.72 per capita) was from general property taxes; 15.6 per cent (\$12.10 per capita) from grants-in-aid, donations, and pension assessments; 9.5 per cent (\$7.37 per capita) from earnings of public service enterprises; and the remainder from licenses, earnings of general departments, special property and other taxes, special assessments, and miscellaneous sources.

Governmental-cost payments for 1935 totaled \$2,623,941,000, and are subdivided into three classes: operation and maintenance, which is further subdivided for general departments, \$1,797,798,000, or \$47.78 per capita, and for public service enterprises, \$126,973,000, or \$3.37 per capita; interest on debt, both general and public service enterprises, \$340,770,000, or \$9.06 per capita; and capital outlays, \$358,400,000.

Exclusive of outlay payments, the bureau report for the ninety-four cities shows that operation and maintenance and interest totaled \$2,265,541,000, or \$60.21 per capita. This was an aggregate of \$655,795,000 less outgo than revenue receipts for all cities, only two cities reporting an excess of payments for these purposes over their revenue receipts.

Operation and maintenance of general departments for 1935 are further reported in nine classes, the total and per capita amounts being as follows:

	Total (000 omitted)	Per capita
I. General government ..	\$139,144	\$3.70
II. Protection to life and property	307,733	8.18
III. Conservation of health ..	42,069	1.12
IV. Sanitation	93,823	2.49
V. Highways	111,358	2.96

VI. Charities, hospitals, and corrections	337,990	8.98
VII. Education	566,558	15.05
VIII. Recreation	47,943	1.27
IX. Miscellaneous	151,180	4.02
	<hr/>	<hr/>
	\$1,797,798	47.78

Gross indebtedness, funded and unfunded, of the ninety-four cities as at the close of their fiscal year 1935 was \$8,296,584,000, or a per capita of \$220.50. This total included \$2,713,789,000 for public service enterprises. Net debt was \$6,397,603,000, or a per capita of \$170.03. While there was an increase of \$24,845,000 during the year in the net debt of the ninety-four cities as a whole, fifty-seven cities showed a decrease.

The total valuation of taxable property as assessed in 1935 was \$56,327,645,000, or a per capita of \$1,497. Of this total, \$48,078,248,000 was real property, the remainder being personal or mixed. The valuation reported is that fixed locally but does not represent in all cities the full value, although the bureau is not reporting the ratio of assessed to full value. Not all property paid the full rate of taxes, as in some instances property is classified for levy purposes.

The total levies made in 1935 on property subject to general property taxes amounted to \$1,774,451,000, or \$47.16 per capita—the per capita levy, incidentally, being identical with the figure for 1934. This total includes the levies in the cities for all units of government—the city corporation, county, coextensive independent districts, and state. Exclusive of the state levy and the county levy in cities under 100,000, the amount levied for local government was \$1,662,096,000, or \$44.17 per capita.

Non-revenue receipts of the 94 cities in 1935 were \$3,589,600,000, and non-governmental-cost payments, \$3,730,565,000. These figures reflect a wide range of financial transactions not affecting the current operations of the city, including borrowing and repayment of loans; taxes and other receipts collected for and paid to other units of government; trust and agency transactions, sale and purchase of supplies, offsets to outlay, refunds, and general transfers. Payments for cancellation of indebtedness exceeded receipts from all classes of borrowing by \$165,776,000

for the ninety-four cities as a whole, although in some cities borrowing exceeded repayment of loans.

These statistics will have an added interest when comparisons are made with those presented in the March REVIEW. Special considerations affecting the figures there presented are not here repeated. The per capita figures for 1935 are computed upon a total estimated population of the ninety-four cities of 37,625,812, an increase of 40,000 from the 1934 total. This increase was for Washington, the only city whose estimated population was revised during the year.

C. E. RIGHTOR, *Chief Statistician*

Statistics of States & Cities,
Bureau of the Census

*

Iowa's Tax Refund Law for Homesteads.

—Collecting taxes from one pocket to return them to another is the unique scheme Iowa has concocted this year for the owners of 318,300 homesteads in the state.

An act passed recently by the general assembly defines a homestead as a small plot of land with a home in which the owner lives. In a city or town, one half acre is the maximum size, except that a larger area up to an assessed valuation of \$2,500 is acceptable. In the country, forty acres is the maximum.

About two out of three of Iowa's homesteads are urban. The average city homestead has an assessed valuation of \$1,461, while the average rural valuation is half again larger. "To encourage the acquiring and ownership" of these homesteads—and thereby to combat the "rapid and alarming" increase of tenancy—the assembly provided for tax refunds to their owners. The law is a unique example of homestead exemption coupled with so-called replacement revenues.

In Iowa revenue from individual incomes, corporate income and sales taxes is pooled. The new law provides that after 3 per cent is paid into the general fund and after certain expenditures have been made from the fund, including several millions for old-age pensions, work relief, and direct relief, the balance of this pool will become a homestead credit fund. From this will be apportioned credits on property taxes of all homestead owners for assessed valuations up to \$2,500. Each owner will share according to the proportion that his homestead's assessed valuation, up to

\$2,500, bears to the total assessed valuation of like eligible plots in the whole state. In no instance, however, will the credit be permitted to exceed the tax.

Beginning October 1st the state board of assessment and review will set each fall a millage credit (not to exceed twenty-five mills) to be distributed from the fund to each dollar of eligible homestead valuation. Each county auditor, having received word what his county's portion will be, will then give credit proportionally to each of the taxing districts or to the treasurer of each chartered city that levies and collects taxes separately from the county.

Getting his share is not automatic for the homestead owner. He must deliver to the assessor a verified statement of his claim or else file such a paper, supported by affidavits of two disinterested freeholders, with the auditor. This claim is then allowed or disallowed by the county board of supervisors. The owner is given four months to do this. If he slips up, he loses his share.

Once it is functioning, the law will provide a mild kind of redistribution of wealth, but apparently in the direction of taking, through the sales tax and the burden on tenants, from those that have not to give to those who are at least able to own their own homes. In short, the tenant gets no relief as he continues to pay the part of the real estate tax that is shifted to him and in addition is burdened with a 2 per cent tax upon his general purchases, his utility services, and his amusements. The average city home owner gets an exemption of \$1,461, but he also pays a heavy sales tax. The more prosperous home owners get an exemption of \$2,500. They are further favored in that the sales tax burden is proportionately lighter as the income increases. The mildly graduated income tax would, to a slight extent, offset this tendency but the total effect would still be regressive.

ROBERT W. ROOT

Ames, Iowa

■

Indiana Tax Limitation Law Revised.

Amendment of the tax limit statute of Indiana by the legislature and governor early in March, briefly noted in this department last month, indicates a trend which may reasonably be anticipated in other states for reasons of economy if for nothing else. The revision, it

will be recalled, was primarily instigated to secure lower interest costs on municipal borrowing by permitting debt obligations to be issued outside the limit.

Revision was effected by repealing the original tax limit laws of 1932 and 1933 and enacting a new statute in their place. The new act (chapter 119, acts of 1937) eases the earlier limits on the rate of taxation from the former \$1.00 to \$1.25 per \$100 taxable valuation outside of incorporated cities and towns and from \$1.50 to \$2.00 per \$100 inside the corporate limits, rates being inclusive of all units in each instance. The state is limited to 30 cents per \$100. It is provided also that the county board of tax adjustment shall certify local budgets or revise downward when necessary, and may recommend to the state tax commission that levies in excess of the limit be permitted. The state tax commission is granted discretionary power to authorize budgets requiring levies above the limited rate.

Debt service is exempted from the rate limit under an admittedly ingenious scheme. Obligations outstanding prior to the enactment of the present law are all exempted, thus "covering in" all issued since passage of the 1933 law, which made similar provision. In addition, all future obligations issued to meet the requirements of the county welfare fund are exempted from the rate limit, as are all bonds issued pursuant to a prescribed procedure of notice and petition. This procedure is interesting, and calls for an original petition praying for the bond issue signed by at least fifty owners of taxable realty, filed with the body charged with the authorization of such obligations. If the body decides to issue the bonds petitioned for it must so advertise, and if within thirty days after notice no remonstrance is filed signed by a greater number of petitioners than originally petitioned for the issue, the obligation shall be issued and taxes for its amortization shall be exempt from the tax rate limit.

Whether this abridged and neo-referendum to determine whether bonds may be issued outside the rate limit is workable remains to be seen. Presumably administrations will experience little difficulty in securing the necessary petitions to initiate the issuance of any obligations intended to be sold. Conversely, any opponent would probably with

equal ease be able to secure a valid remonstrance unless the original petition contained a high ratio of signatories among the taxpayers, and it is easy to imagine that the circulation of petitions and remonstrances might well approach the scope of a referendum of all realty taxpayers. And will the time come when smart tenants will insist on clauses in their leases, stipulating that their landlords will follow the tenant's own instructions respecting both petitions and remonstrances, to overcome the measurable disenfranchisement? Difficulties in the provision seem obvious, but perhaps the scheme is sufficiently simple so that it will be used only in clear-cut cases. At any rate, while limited tax bonds can still be used, the way is open for Indiana municipalities to escape penalty costs by issuing bonds outside the limit under the provision. The other features of the bill, cited above, seem to boil down to state supervision of local budgets, perhaps somewhat clumsily arrived at.

Kentucky's 3 per cent "use" tax on the standard retail price of motor vehicles, which went into effect in May 1936, yielded approximately \$500,000 to the end of the year, according to Revenue Director James W. Martin. Some 28,485 vehicles paid the tax, which averaged \$16.88 each. Total cost of collection is estimated at from 4 to 5 per cent, with particular emphasis on preventing evasions.

"State and local governments that continue to borrow for relief purposes seem to be following an unwise fiscal policy," says Carl H. Chatters, executive director of the Municipal Finance Officers' Association. He advises change of the revenue structures to permit them to meet relief charges from current revenues.

And in Randall, Wisconsin, residents and officials are all stirred up about the disposition of a \$16,000 town surplus, which press dispatches would have us believe presents a serious spending problem. Now, we don't know whether this is a budgetary surplus, or an actual cash surplus, but it's our deliberate judgment that the good people of Randall will find a way to wipe it off the books.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

P. R. in Massachusetts.—There are now pending before the Massachusetts legislature two permissive bills relative to proportional representation, described in this department for February and April 1937.

The bill introduced by Representative Christian A. Herter, making P. R. optional for city councils and school committees by petition of 10 per cent of the voters and popular referendum, was favorably reported by the cities committee and has successfully passed the house by a roll call vote of 113 to 109. It was first amended, however, to exclude the Boston city council from its provisions. It is now before the senate where it has received favorable action on first reading.

Early April witnessed the start of intensive propaganda and lobbying efforts. The women's groups have been unsparing in their activities. Seven organizations have pooled efforts in a number of joint letters and other material sent to each legislator—the Massachusetts Civic League, Massachusetts Federation of Taxpayers Associations, Massachusetts League of Women Voters (for all local leagues), Boston Chamber of Commerce, Boston Federation of Women's Clubs, Boston Real Estate Exchange, and Real Estate Owners' and Tenants' League of Boston.

The second bill, that of Representative Rufus H. Bond making proportional representation with the city manager plan optional for all cities but Boston, was brought in with an adverse report by the cities committee on April 29th. The house, however, upset the adverse committee report by a vote of 62 to 31 on first reading.

By the time this is published the ultimate fate of both bills may be decided. The straight P. R. bill must receive one more favorable vote in the senate and the enactment vote in both houses. The combination P. R.-manager bill has a somewhat longer legislative gamut to run. Meanwhile the attitude of the governor toward both bills is unknown.

Whatever the final outcome, P. R. legislation has already gone farther in the Massachusetts legislature than at any time in the past. It has become a major and growing issue.

H. C. LOEFFLER

Boston Municipal Research Bureau

Illinois Bill Loses in Close Vote.—After several public hearings, at which a good deal of public interest was expressed both from Chicago and from other parts of the state, the municipalities committee of the Illinois house of representatives voted thirteen to twelve to report the Slater-Teel optional P. R.-manager bill for Illinois cities and villages (house bill 414) with an adverse recommendation. On April 13th the house defeated the bill by tabling Representative Slater's motion not to concur in the adverse recommendation of the committee. The vote was seventy-two to sixty-seven. Debate lasted for two hours, most of the opposition coming from Chicago.

Some proponents believe that the bill could have passed the house if it had not been for a few mistakes of judgment in the campaign. The fact remains, however, that the bill came close to passing, while earlier proposals have never been taken very seriously by the legislature. The Chicago City Club, the League of Women Voters, the Chicago City Manager Committee, and other proponents will continue active educational work in the hope of actual passage at the next session.

■

Other P. R. Bills.—As we go to press the fate of other bills making P. R. optional for various purposes hangs in the legislative balance.

Action is expected within a few days on the Desmond-Mailer optional county government bill in the New York legislature, which includes optional P. R. for county boards of supervisors. At a senate committee hearing on March 16th on this and the Buckley-Reoux (Mastick Tax Commission) bill for optional forms of county government no one appeared in opposition to either bill and representatives of the New York State League of Women Voters and a number of civic organizations urged the passage of both.

The bills which would make the city manager plan with P. R. available for Philadelphia and Pittsburgh have not moved within the last month, but since a long session is in prospect for the Pennsylvania legislature there is still a possibility of favorable developments before adjournment.

All three of the Pittsburgh newspapers, the Civic Club of Allegheny County, the Allegheny County League of Women Voters, the Allied Boards of Trade of Allegheny County, the Women's Legislative Council of Western Penn-

sylvania, and other civic groups are supporting the O'Keefe bill for Pittsburgh, though a number of them are urging improvements in its form. The local Democratic organization, after securing its unanimous passage in the house of representatives, appears to have lost interest because of recent political developments, but there has been no final decision.

"Sole responsibility rests with the Democratic organization," the *Pittsburgh Sun Telegraph* pointed out editorially on March 30th, "for it controls both branches of the legislature. . . .

"But though the Democratic leaders show signs that they would like to forget the whole business, we do not believe that the people of Pittsburgh will. . . . Strongly entrenched as the Republicans were, they were turned out by the people for thwarting the popular demands.

"Let Mr. Scully [the mayor] and Democratic State Chairman David L. Lawrence and Governor Earle profit by that example."

"If the senate were to kill this city manager measure," said the *Pittsburgh Post-Gazette* in an earlier editorial (February 22nd), "it would simply be following one of the worst examples charged to Old Guard Republicans." The editorial was entitled, "Would Lose Their Alibi."

The *Pittsburgh Press* hailed the introduction of the bill with these words (January 27th): "The Democratic leaders have kept their pledge to Pittsburgh voters by introducing a city manager bill in the house. It now is their duty to see that the bill is given prompt approval by the general assembly."

All three papers have referred to the inclusion of P. R. in the bill with strong approval.

P. R. Argued in New York's Highest Court.—On April 26th and 27th the New York court of appeals heard argument on the two cases involving the constitutionality of P. R. as adopted for the New York City council. As related in last month's issue, the P. R. provisions had been held constitutional by Supreme Court Justice Lloyd Church in Manhattan and unconstitutional by Supreme Court Justice Philip A. Brennan in Brooklyn.

The case for P. R. was ably argued before the court of appeals by Assistant Corporation Counsel William C. Chanler and Thomas D. Thacher, chairman of the charter commission

which presented P. R. to the voters last fall and former solicitor-general of the United States. Brief supporting statements were made on behalf of the Republican organizations of New York and Kings Counties by Gabriel L. Kaplan and A. David Benjamin and supporting briefs were filed on behalf of the Citizens Union, City Affairs Committee, League of Women Voters, City Club, Merchants' Association, United Neighborhood Houses and Women's City Club of New York jointly, and of the City-Fusion Party.

The arguments for the opposition were presented by Abraham S. Gilbert, Assemblyman Edward S. Moran, Jr., and William J. O'Shea, Jr., Mr. O'Shea representing the Democratic organizations of the five counties of New York City.

Judge Thacher in his brief presented as *amicus curiae* gave detailed evidence of the grave inequalities which P. R. was designed to correct and concluded:

The single purpose of this brief is to demonstrate that constitutional provisions having no necessary or intended application to the problem in hand should not, by strained constructions foreign to the purpose of their adoption, be held to impose limitations on powers of government necessary to preserve the very spirit of the constitution and the integrity of truly representative democracy.

•

An Election in Tasmania.—Tasmania, southernmost state of the Australian commonwealth, has used the Hare system of proportional representation for the elections of its house of assembly (state legislature) continuously since 1907. In view of the charge often heard that the adoption of this freest form of P. R. will necessarily lead to a splitting up of parties and a bloc system with no one party in control, the results of the most recent Tasmanian election, held February 20th of this year, are of some interest. Every one of the thirty seats in the house was won by either the Labor party or the Nationalist party and the former secured the substantial majority of eighteen seats to its opponent's twelve. The one third-party member of the previous house was defeated for re-election and the total independent and third-party vote for the five districts of the state was less than the quota sufficient for election in any one of them.

The votes of the two major parties were given almost exactly equal weight. The Labor

party elected one member for every 3,959 first-choice votes cast for its candidates, the Nationalist party one for every 3,933. The results may be summarized as follows:

PARTY	FIRST-CHOICE VOTES	MEMBERS ELECTED
Labor	71,263 (59%—)	18 (60%)
Nationalist	47,204 (39%—)	12 (40%)
Others	2,996 (2%+)	0
Total	121,463	30

The People's Advocate of Adelaide for March 22nd, from which these figures are taken, estimates that at least 92 per cent of the electors exercised their franchise. It concludes its account with the statement:

This system of voting has been in practical operation in Tasmania for more than a quarter of a century, has proved an unqualified success, meets with the approval of all parties, and should be adopted by all the states and by the commonwealth for future elections.

*

Hearne of Wheeling Added to P. R. Council.—The trustees of the Proportional Representation League, now merged with the National Municipal League, take pleasure in announcing the election of Julian G. Hearne, Jr., of Wheeling to fill a vacancy in the P. R. League's advisory council. Mr. Hearne was one of the leaders in the formation of the Wheeling Association, of which he became the first chairman, and in that association's successful drive to secure the adoption of the city manager plan with proportional representation and to elect a high grade council by P. R. in 1935. He is an attorney. Those who attended the P. R. dinner at the National Municipal League convention in Providence two years ago will remember his inspiring account of the whirlwind campaign by a group of young idealists which secured the necessary enabling legislation from the West Virginia legislature, won popular approval for the new charter at the polls, and installed a new type of city government under it, all in the space of half a year.

CITIZENS' COUNCILS

Edited by Geneva Seybold

Kenosha Civic Council.—Sixty-one organizations are now represented on the Kenosha Civic Council, the oldest citizens' council

in Wisconsin and one of the oldest in the country. The Kenosha council is made up of two representatives of each of the outstanding organizations in the city and has been serving to coördinate the activities of these groups and focus public opinion for the last fourteen years.

Among the council's activities during the year just completed was the instituting of a county-wide movement for a mental hygiene clinic. The civic council is financing and conducting a large scale campaign of local education looking toward the establishment of such a clinic.

The council conducted a study of the need of pasteurizing bottled milk and secured passage of an appropriate ordinance by the city council. A complete survey was made of the possibilities of setting up an auto trailer camp in Kenosha and a report prepared which is now ready for consideration by the civic council delegates.

One of the council's committees is working on a plan for controlling the quality of coal sold in the city, similar to the inspection of milk, food, and beverage products. During the year the council conducted a comprehensive investigation of local mass transportation fare rates with the intention of securing a fifty-cent weekly bus fare for school children.

The sponsorship of a series of town meeting type of forum discussions on current controversial subjects through the agency of the University of Wisconsin Extension Department is being considered. The council has long been accustomed to forum discussions. At each of its monthly meetings a twenty-minute speaker explains some phase of local government or some action of state or federal government affecting the local government, after which there is open discussion of the subject.

As a coördinating agency the Kenosha council has been found of great value by the city's organizations. The organizations are circularized and dates and hours secured of all regular and special meetings and this information posted on a bulletin board in the city library. This has served to prevent avoidable conflicts of dates.

The Kenosha Civic Council has recently helped other communities in the state in the establishment of similar councils. Last year

officers of the Kenosha organization helped the representatives of twenty-three organizations in Racine form a council there and more recently they have been aiding groups in Manitowoc where a committee is now working on organization plans.

Robert M. Smith is secretary of the Kenosha Civic Council.

Altadena Citizens' Association.—The question of incorporation or annexation to the city of Los Angeles is still a paramount one among citizens of Altadena, California, and the subject of continuous study by the Altadena Citizens' Association. A reason for the fact that the community has not felt the need for incorporation more forcibly than it has is that through the efforts of the citizens' association Altadena has obtained many of the governmental services of incorporated places.

It was the first unincorporated community in California, for example, to adopt zoning, much of the credit going to the zoning committee of the association. The year after a permissive law was passed by the 1923 state legislature, through the efforts of the citizens' association a fire protection district was formed safeguarding Altadena. There are now thirty unincorporated communities of Los Angeles County each maintaining its own fire protection district. The Altadena district sponsored a plan of coöperation, now in effect, whereby a central headquarters is maintained and paid for by these thirty districts and under which the districts give one another assistance in event of need. A proposal to merge the thirty districts into a single district is now before the county board of supervisors and is being studied by the fire committee of the citizens' association.

Through the efforts of the association the Altadena library district was organized in 1926, the first of its kind in Los Angeles County. All unincorporated communities of the county have benefited by a court action brought by the citizens' association to test the validity of the law authorizing library districts, the decision being favorable to the association.

Another community development in which the citizens' association pioneered was in the formation in 1922 of the Altadena lighting district. When the metropolitan water district

was being formed the water committee of the Altadena Citizens' Association had a clause inserted in the law permitting unincorporated communities to become a part of such district if they so desired.

The citizens' association makes a detailed study of the proposed county budget each year and submits its recommendations to the board of supervisors. Proposed bond issues are analyzed and publicity given them before election.

Committees working on problems of flood control, highway safety, and welfare have been especially active during the last year. The accomplishments of the Altadena Citizens' Association are a continuous demonstration of the value of organized effort of citizens in civic affairs. The organization issues a monthly mimeographed news letter.

A community league has recently been formed in Wright's Shop, a rural community adjacent to Madison Heights, Virginia. Madison Heights has had a citizens' council for the last three years which has concerned itself chiefly with physical improvement of the community—sidewalks, water, sewers, roads, fire protection. It has also studied problems in connection with the schools and made an annual study of the county budget. Wright's Shop hopes to have as effective a citizen organization as its neighbor. Officers of the Madison Heights Citizens' Council have been assisting in the formation of the Wright's Shop council.

A citizens' council organized a year ago in Hamden, Connecticut, a suburb of New Haven, has limited its program thus far to problems connected with education and the administration of the schools. A smaller school board and selection of school board members on a non-political basis are immediate goals of the council.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Public Administration Service.—During the past year, Public Administration Service has engaged in a wide variety of survey and installation projects, assisting agencies at all four of the levels of government—federal, state,

county, and municipal—in the adoption of improved methods in public welfare, finance, accounting, purchasing, police, public works, personnel, and social security fields.

A major assignment which has just been completed has been the putting into effect of the provision of the state reorganization act adopted early in 1936 by the Kentucky legislature. This involved the transfer of functions, personnel, records, and equipment between various state agencies; the reallocation of office space; and the establishment of a new department of finance, with full responsibility for centralized budgeting, accounting, purchasing, and personnel control. A complete accounting system was devised and installed, budgeting and purchasing procedures were formulated and set in operation. A significant product of this part of the work has been the publication of a *Handbook of Financial Administration in the State of Kentucky*. While this is an operating manual intended primarily for the guidance of state officers and employees in the use of the new procedures, copies are available to others through the publications division of Public Administration Service.

Although detailed assistance in the establishment of the new division of personnel efficiency was not contemplated under the original project, the governor has recently requested that Public Administration Service prepare complete position classification and compensation plans for the state service, and work on this assignment has been begun.

The growing interest in merit personnel systems and also in the integration of public welfare services on a permanent basis is reflected by several recent PAS projects, two of which combined assistance in securing both of these improvements. Pursuant to requirements in the acts creating them that merit principles be observed in personnel activities of the Indiana state department of public welfare and in the unemployment compensation division of the treasury department, the boards governing these two agencies solicited the services of Public Administration Service in developing a proper system of personnel administration for each of them. The result was the establishment of a joint personnel bureau, responsible to a board consisting of the administrators of the two departments and a third person from outside the service,

which operates as a central service agency to both units. Classification and compensation plans were prepared, rules and regulations governing all personnel matters formulated, records and other procedures installed, and assistance rendered in initiating competitive recruitment, service rating, and training programs.

A public welfare administration project with some personnel aspects, which is still under way, is that resulting from a recent act of the New York state legislature directing the merger of the temporary emergency relief administration with the state department of social welfare and authorizing the subsequent reorganization of the enlarged department. Public Administration Service has accepted responsibility for devising the new organization plan; assisting in determining the number and character of positions required; drafting position specifications and establishing compensation schedules under the supervision of the state department of civil service; placing in operation the reorganized machinery and prescribing procedures for handling social, financial, and statistical activities of the department; and preparing an operating manual for the governance of the department and of local welfare districts. An interesting feature of the new organization plan as recently approved is the creation within the department of a bureau of personnel and training, which will be responsible for handling the department's contacts with the civil service department concerning both departmental personnel and standards for local welfare district personnel, and for conducting all in-service personnel activities including the promotion and supervision of training programs for state and local welfare employees.

An experiment in personnel administration which appears likely to be completely successful has been carried on in Michigan cities as a coöperative project of the Civil Service Assembly, the Michigan Municipal League, and Public Administration Service. Under the joint program, the assembly has maintained a full time representative in Michigan to advise and consult with cities desiring to improve their personnel practices; Public Administration Service has made demonstration installations of suitable systems of personnel administration in three cities selected for their varying conditions and different legal requirements

—Saginaw, Flint, and Dearborn; and the league has organized a staff of personnel technicians to serve jointly on a cost basis these and other cities desiring the services in the operation of the systems installed. Through the league, cities heretofore considered too small to be able to afford high grade technical examination, classification, service rating, and employee training services will be able to secure them at a cost well within their means.

Another demonstration project of considerable importance has grown out of the all-cost studies of public school operation made by Public Administration Service as a part of the Regents' Inquiry into the Character and Cost of Education, in New York State. The difficulty of obtaining valid cost and appropriation figures in the school districts selected for study indicated the need for simplification and improvement of the accounting systems used by the districts; in consequence, such a system was devised and is being installed in a half-dozen typical school districts.

Other projects of Public Administration Service during the year have been surveys of police, public welfare, and public works departments in Saginaw, Michigan; organization and development of procedures for a new central finance department in Monroe County, New York; a study and recommendations for improvement of the internal organization of the United States Social Security Board; supervision of the installation of a merit personnel system in Henrico County, Virginia; administrative surveys leading to reorganization and improvement of the police and highway departments of Greenwich, Connecticut; design of new methods for the recruitment, training, and management of personnel in the police and fire departments of Winnetka, Illinois; survey of public welfare activities in Springfield, Massachusetts; and an appraisal of personnel administration in the city government (Cincinnati), school district, and county government of Hamilton County, Ohio.

*

Department of Planning and Research of the Montreal Metropolitan Commission.—The newest recruit to the ranks of municipal research is the recently created department of planning and research of the Montreal Metropolitan Commission. Appointed November 1,

1936, it is now completing the first six months of its activity.

The department has a two fold responsibility: first, it will be the regional planning authority for the Greater Montreal area; second, it will act as the municipal research division for Montreal and the fourteen suburban towns who together constitute the municipalities in whose interests the Montreal Metropolitan Commission operates.

Incorporated in 1921 by provincial charter, the commission itself is an arm of municipal government in Greater Montreal. Its chief function is to administer several defaulting suburban towns which, instead of being annexed to the parent city, were placed under the tutelage of the then newly created Metropolitan Commission. The commission is composed of the elected mayors of the suburban municipalities, eight aldermen from the city of Montreal, and an appointed representative of the province of Quebec. In principle and practice the commission is a borough government in embryo for metropolitan Montreal. From its inception the commission has proved successful beyond even the hopes of its most enthusiastic protagonists. As a consequence, in succeeding years, new powers and responsibilities have been added to it. Its most recent development is its department of planning and research.

Already the department has given evidence of its importance and usefulness as a fact-finding agency in the Montreal region. During the winter a cross-section survey of 1376 working-class dwellings was undertaken. The thoroughness of the survey, its comprehensive nature and well prepared report has met with wide commendation. An intensive block area survey, looking forward to a slum clearance, low-rent housing project will be proceeded with during the coming summer. Also during the summer months a survey of public recreational facilities will be made. It will embrace an inventory of developed and undeveloped parks, playgrounds, pleasure driveways, beaches, picnic grounds, places of scenic interest, play fields, etc., and will evaluate them in terms of their adequacy and accessibility. Upon the basis of the survey findings a long term program for future development will be prepared.

Further studies on civic personnel, administrative standards, population growth and

trends, social characteristics, metropolitan boulevards, traffic, etc., are contemplated for the coming year.

A library of several hundred volumes has been installed. Documentation on every aspect of municipal activity is being gathered together. Members of the research staff are visiting other cities to study their development, particularly research and planning technique. During April, for two weeks, three members of the staff visited the headquarters of the "Chicago group" of national governmental organizations, at 850 East 58th Street, Chicago. Observation trips to low-rent housing projects, demolition areas, the parks system, police administration, engineering departments, airports, etc., were also made. Interviews were held with members of the staff of the University of Chicago and their research studies of metropolitan problems and government in greater Chicago were examined. Additional trips are contemplated to Washington, New York, and other centers of planning and research activity. The department recognizes the value of such observation visits and provision is made for travel for its research technicians as a continuing part of their responsibilities.

In many respects unique, this newest creation of Montreal's Metropolitan Commission will be watched by all those interested in municipal research and planning. The success of its efforts during the next few years may well form the pattern for similar developments in other American, as well as Canadian, metropolitan areas. It marks an important step forward in advancing municipal policy formation from the realm of opinion and political bias to the higher level of policy determination based upon objective and factual research.

■
City Club of Portland, Oregon.— Twenty-one years of service to its community in the field of municipal research were completed with the publication of the following reports for the year ending May 1937:

Municipal Improvement District Assessments: a study recommending the repeal of chapter 450, Oregon laws 1935, providing for the creation of special improvement districts for construction of arterial streets.

Columbia Valley Authority: two progress reports on the type and powers of an author-

ity to be established to administer the Bonneville project.

The Acquisition of Council Crest: a study of the desirability of the city of Portland acquiring by trade a tract of land, elevation 1,050 feet, within the city limits, historically and scenically valuable as a public park.

Financial Needs of Doernbecher Hospital for Children: a report on the needs for the biennium of the only children's hospital in the state recommending a specific appropriation to the state legislature.

Wild Life Resources in Oregon: a report recommending the passage of certain legislation to further the conservation of Oregon's wild life resources.

The Development of Front Avenue: a survey of a blighted waterfront area of Portland, recommending creation of a park area and arterial development to assist rehabilitation, to be paid jointly by the city and the state highway commission.

Review of Election Measures: detailed studies of twelve state and city measures on the November 1936 ballot, followed by concise summaries of the reports and the recommendation of the club on each measure.

Reports on the following topics will be printed during the next thirty days: The date and method of electing school directors, the direct primary system in Oregon, real property assessment in Multnomah County, personal property assessment in Oregon, and Portland's public forums.

Other studies currently under way include milk control in Oregon, the control and eradication of syphilis in Oregon, the jury system in Oregon, and traffic control in Portland.

During the year the membership of the City Club rose above 440, highest point since 1931, and at regular weekly luncheon meetings authorities in all fields of government, business, and science addressed the membership. Raymond Leslie Buell, president of the Foreign Policy Association, and Frederick J. Libby, executive secretary of the National Council for the Prevention of War, addressed the annual dinner meeting of the club April 22.

C. HERALD CAMPBELL, *Executive Secretary*

■
Hawaii Bureau of Governmental Research.—As usual the bureau has been exceptionally busy. The following outline sets

forth some of the things that we have been doing or upon which we are now engaged.

(1) At the request of the governor and the territorial legislature, the bureau has completed a study of the best principles of personnel administration and has submitted a report thereon setting forth its findings, together with an abstract of the principal features of the civil service laws of several mainland states and municipalities.

(2) At the request of the governor's advisory committee on public welfare, the bureau prepared a plan, and is now preparing proposed legislation, for the organization and administration of a territorial department of public welfare to supervise and unify the administration of the following public welfare activities: aid to dependent children, old-age assistance, child welfare, aid to the blind, direct relief.

For this committee the bureau also abstracted the old-age benefit and unemployment insurance laws of several states which have enacted such legislation with a view to assisting in the drafting of similar laws for the territory of Hawaii.

(3) For the old-age pension board the bureau developed a plan of operation to meet the requirements of the social security act, and interpreted this plan to the local boards, obtaining their approval and also the approval of the United States Social Security Board.

(4) For the governor's advisory committee on public welfare and the territorial relief and

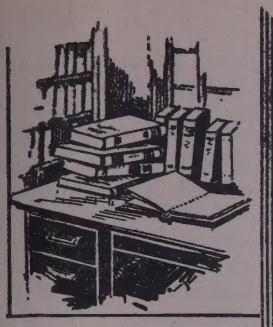
welfare commission the bureau is now engaged in developing fact data relating to unemployment and employment so as to determine what the unemployment problem is in the territory, and what unemployment relief legislation should be recommended to the governor and the territorial legislature.

(5) For the information of the general public, private and public schools, federal and local officials, students of political science, and for library reference, the bureau has completed *Our Territorial Government*—a handbook outlining the functions of the numerous territorial departments, boards and institutions.

(6) For its own information, and possibly for submission to the executive committee of the bureau and to members of the territorial legislature, we have recently completed a comparative analysis of the revenues and operation costs of the Honolulu water works covering the past fourteen years.

(7) At the request of the chairman and members of the board of supervisors of the various counties of the territory, the director and secretary of the bureau are now making an analysis of the operation and revenues of the counties with a view to determining what adjustments should be made in the territorial taxation system to meet the increasing needs of the counties. The findings of the bureau will be submitted to the territorial legislature as a basis for such legislation as it may enact tending to reallocate tax revenues, or to remove from the counties the cost of certain public services that are now carried by them.

O. F. GODDARD, *Director*



RECENT BOOKS REVIEWED

EDITED BY GENEVA SEYBOLD

The Undistributed Profits Tax. By Alfred G. Buehler. New York, McGraw-Hill Book Co., 1937. 281 pp. \$2.75.

This book presents a history, description, and economic analysis of the federal undistributed corporation profits tax of 1936. In the first three chapters the author traces the history of earlier proposals to tax undistributed profits, follows the Roosevelt proposal through Congress, describes the tax as passed giving examples of its application, and includes some data on the taxation of undistributed profits in other countries.

The next eight chapters discuss what might be called the "economics" of the tax, neither accounting nor legal aspects being considered. After facts concerning the amounts of undistributed profits are presented, various economic effects are analyzed and the suitability of the tax as a regulatory and as a fiscal measure is examined.

A chapter follows describing other federal taxes imposed on corporation income and profits. A concluding chapter summarizes the contents of the preceding chapters.

Professor Buehler's conclusions as to the effects of the tax are in general unfavorable to its retention. He concludes that its incidence is on the corporation and that it will not—at least directly—cause a rise in prices, that it encourages monopoly by penalizing small competitors and retarding their growth, that it affects adversely the amount of savings available for business more directly than do other profits taxes, that the use of holding companies increases the tax, that the tax will force out more cash dividends, that the tax can be reduced by financing through bond issues, that the tax is defective as an instrument

for stabilizing business and is unwarranted as a regulatory measure, that undistributed profits do not measure benefits from government or ability to pay taxes, that the tax adds complications and confusion to the federal tax system, that if retained it should be rewritten to eliminate the more harsh and unequal features, and—perhaps strangely in view of these defects—that if the tax is so rewritten the government is justified in experimenting with it as a revenue although not as a regulatory measure.

With many of the author's conclusions this reviewer agrees, with a few he does not. Two of the latter are that the tax is increased by the use of the holding company and that the tax is reduced by financing through bond issues. The opposites appear to be the facts.

Perhaps too little recognition is given to the fact that the individual surtaxes exert a strong pressure to increase corporate saving and so to avoid individual income taxation, and that in part the tax merely offsets this pressure. Furthermore, the fact that, although the undistributed profits tax has serious defects, the available alternatives are by no means satisfactory, does not receive the emphasis it deserves.

As a piece of writing the historical and descriptive parts of the book are very well done. The analytical parts are marred by poor organization, tiresome repetition, and the inclusion of irrelevant material.

ROY BLOUGH

University of Cincinnati

American City. A Rank and File History. By Charles R. Walker. New York, Farrar and Rinehart, 1937. 278 pp. \$2.50.

This is "a rank and file history" of an

American city—Minneapolis—"which in less than seventy-five years sprang from the frontier, moved into a 'golden age' of economic maturity, and entered its decline." It is not a history of the city's government nor of its great men; it is dedicated, instead, "to the rank and file of empire builders," and most of the story is devoted to the months of May, June, and July, 1934, when the rank and file made their momentous bid for power in the capital of the northwestern "empire." The background of the "few hours of crisis" is briefly and well told: the westward thrust into a rich frontier of wheat, lumber, and iron; the coming of the railroads and the consolidation of power in the hands of a few "king-pins"; the eclipse of the rank and file; the ruthless exploitation during the "golden age"; the beginning of economic decline and the rise of rank and file revolt. The camera of the historian then focuses upon the city in the critical year of 1934.

Mr. Walker is at his best in his sociological analysis of the warring forces and in his graphic narrative of the events turning around the truck drivers' strikes. Citizens Alliance against organized labor, class against class, is made dramatic and clear by the skill with which the author highlights the story of the summer's warfare with penetrating sketches of its leading figures: Strong and Lyman of the Alliance; the Dunne brothers of the truck drivers; Governor Olson, whose role was most difficult and whose recovery from his own blunder reveals his strength and versatility; Johannes, the chief of police.

To the student of municipal government Mr. Walker poses a critical and fundamental question: what should be the role of a city government, particularly of its police force, in such a struggle of forces as warred in the streets of Minneapolis in May and July, 1934? For the most part the problem has been evaded. None of the standard texts in municipal government and administration recognizes even its existence. Wherever it has been discussed, in special treatises and articles, the basic dilemma has been obscured by vague standards of "impartiality," "law and order," "public interest," etc. These terms are usually a cloak for strike-breaking, as Mr. Walker conclusively demonstrates in his analysis of the role of the police under Chief Johannes. Johannes conceived his duty to be to break

the truck drivers' strikes, and in both May and July he joined the Citizens Alliance and the Employers Advisory Committee in devising "plants" which resulted in violence, even bloodshed, and which were designed to discredit the strikers and thus break the strike. Police action reached its climax in July when fifty police armed with shotguns fired upon unarmed pickets, sixty-seven being wounded (thirteen were bystanders) and two killed.

The story of the Minneapolis police departs from the typical role of the American city police only in the sequel to this "bloody Friday," for the rank and file of Minneapolis closed ranks with the truck drivers and won despite employers' deputies and the police. The serious and increasing potentialities of the traditional police attitude toward strikes make it imperative that we substitute some reality for the polite fiction of "nonpartisan" city government in a period of economic tension and that we remedy the social and economic myopia of the police.

WALLACE S. SAYRE

New York University

Public Administration in the United States. By Harvey Walker. New York, Farrar & Rinehart, 1937. 698 pp. \$3.50.

Written from what has come to be known as the "functional" approach, this book is a clear and informative discussion of administration in this country as a going concern. It is a pioneer work in the sense that here we have the result of a comprehensive attempt to present from this point of view both the theory and the problems of administration, including for the first time line as well as staff functions. It attempts to do for both what John M. Pfiffner's book, "Public Administration," brought out two years ago, did more completely for staff functions.

Professor Walker begins his book with an attempt to define administration and a defense of the functional approach. It is to his credit that he frankly recognizes the defects as well as the merits of his method and thereby succeeds in clarifying the often ambiguous functional concept. Particularly interesting is his conclusion as to the place of the courts under this dual view of government. After pointing out that in settling ordinary controversies between litigants the

courts are engaged in administration pure and simple, he says: "Decisions as to the constitutionality of statutes are distinctly a part of the process of declaring the public will. Court interpretations of ambiguous provisions of law are essential before the law can be made effective and hence such activities of courts are also within the realm of politics"—a statement which has special point in view of the refusal of the old jurisprudence to sully its fingers with political questions and the recent examples of the interaction of public opinion and court opinions.

But this is not primarily a theoretical textbook. It must be confessed that one of the advantages of the new approach is that it facilitates a dynamic treatment of the dry bones of government. Certain topics, too, such as the multiplying intergovernmental relationships, fall more naturally into their proper place in this arrangement. Indeed, the book owes much of its interest to the picture which it presents of the division of responsibility for the major governmental services among various units of government, and the way in which the recently expanded federal responsibilities fit into the traditional scheme of things.

The book is not always orthodox in its judgments. For example, the author states forcibly again his belief that "we have failed to develop controls adequate to justify the erection of the office of governor into that of chief administrator of the state," and that the only good solution is to have state governments organized "along lines similar to those of the city manager plan." Again, he says that the medical examiners who are taking the place of coroners should be appointed by the prosecuting attorney. Many students would disagree on these and similar points. Nor is the book a complete textbook on the problems of administration and the means for its improvement. One could, for example, read Professor Walker's whole discussion of the preservation of records without reading a word about photostat recording. On the other hand, the author's treatment of the relations between government and business and of the government in business, though not always orthodox, is well reasoned and thought-provoking. Altogether this is a

stimulating conspectus of government from a new vantage point and will repay careful study.

L. R. CHUBB

*

Source Book on European Governments.

By William E. Rappard, Walter R. Sharp, Herbert W. Schneider, James K. Pollock, and Samuel N. Harper. New York, D. Van Nostrand Company, Inc., 1937. 198 pp. \$3.50.

Five editors present documents of historic import on the governments of democratic Switzerland and France, Fascist Italy, Nazi Germany, and the Soviet Union. The sections vary in content according to the judgment of each editor as to what material would best lead to an understanding of the principles and operation of each of the governments. In addition to constitutional, statutory, and administrative documents, material illustrates party programs, party organization, the conduct of policy, and the political ideas of outstanding leaders in each of the countries.

Dr. Pollock has included in his section on Germany a complete translation of the new German municipal code. Many interested in local government will be glad to have access to this in English. The selections in the section on Germany represent the most important official actions taken by the Hitler government in setting up and solidifying the structure of the Nazi state. The program of the party and speeches of Hitler indicate the lines of National Socialist development and illuminate the ideas of the leader of the movement.

The Italian section includes the basic Fascist laws, the constitution of the National Fascist party, a collective labor contract, and several decisions of the labor courts. Three addresses made by Mussolini give his interpretation of the history leading up to Fascism, his theory of economics, and its relation to the state and the basic features of corporatism.

In the material on the Swiss government are the state constitution of the canton of Berne and the present programs of the three principal Swiss political parties. The French extracts contain articles illustrating party set-up and activity, legislative and administrative processes, the conduct of foreign policy, and

the struggle to maintain democratic liberties. There is an especially interesting description of French courts and judges.

The program of the Communist party of the Soviet Union adopted at the beginning of the revolution and the three constitutions ratified by the Congress of Soviets since 1925 are given in their entirety.

There is no interpretation of material; the only editing has been through the selection of material and in this it is evident that the editors have made extraordinary efforts to resist any influence of their personal reactions to governmental policies.

*

A Foreigner Looks at the TVA. By Odette Keun. New York, Longmans, Green and Co., 1937. 89 pp. \$1.25.

Through the eyes of a well known French writer we obtain a new perspective of what we think of too frequently in limited terms of power development. Madame Keun sees the TVA "an effort to adjust capitalism to the present realities and actual trends of thought," a regional pattern which can lead to a national purpose and a national objective.

The book is written in the first person, singular—the personal reactions of Madame Keun as she spent a summer in the Tennessee Valley. It is the account of a good reporter, plus editorial comments that are not in the least sparing of Americans' pride. Her comments on the greed of pioneers who laid waste to America's tremendous resources are excoriating and she has little more regard for those who did nothing to repair the "insensate ravaging" of their forerunners, which far from being prevented by the government was assisted by it. She has found in the United States poverty equal to that in China, peonage as in Egypt, racial prejudice comparable to that in Nazi Germany.

After a description of the origins of the TVA the author writes of water control projects, industries, agriculture, forestry, and social developments. In the TVA, she concludes, is the best attempt made in any democratic country to "economize, marshal, and integrate the actual assets of a region,

plan its development and future, ameliorate its standards of living, establish it in a more enduring security, and render available to the people the benefits of the wealth of their district, and the results of science, discovery, invention, and disinterested forethought." It is the way of liberalism to remedy wrongs that if not righted lead inevitably to dictatorship and loss of freedom.

*

California State Government. An outline of Its Administrative Organization from 1850 to 1936. By Elsey Hurt. Berkeley, University of California, Bureau of Public Administration, 1937. 252 pp. 75 cents. (Apply to State Supervisor of Documents, Sacramento.)

This study presents in outline form the development and present organization of the departments of agriculture, education, finance, industrial relations, institutions, investment, military and veterans' affairs, motor vehicles, natural resources, penology, professional and vocational standards, public health, public works, and social welfare. There is an organization chart for each department.

*

The Supreme Court Issue and the Constitution. Edited by William H. Barnes and A. W. Littlefield. New York, Barnes & Noble, 1937. 149 pp. Cloth, \$1.00; paper, 75 cents.

For civic study, forum, and classroom discussion groups this compilation of statements regarding the President's plan for reorganizing the supreme court will be a time saver and valuable aid. The comments made by citizens prominent in public affairs and professional and business life are both for and against the proposal.

The introduction includes an outline of the origin and development of the constitution and biographical sketches of the supreme court justices. A few outstanding editorial comments, a digest of cases involving federal legislation declared unconstitutional by the supreme court, and the complete text of the constitution are other items of value for ready reference. The bibliography shows evidence of hasty preparation.